FBIS DAILY REPORT

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CARTAGENA CONSENSUS MEETS IN SANTO DOMINGO

Jorge Opens Session

PA072219 Hamburg DPA in Spanish 1729 GMT 7 Feb 85

[Text] Santo Domingo, 7 Feb (DPA) -- Dominican President Salvador Jorge Blanco opened the third meeting of the foreign affairs and finance ministers of the Latin American debtor countries that make up the so-called "Cartagena Consensus" today in Santo Domingo.

In his opening address, the Dominican head of state said that the seriousness of the regional economic crisis, largely created by an excessive external indebtedness totaling $360 billion, is threatening the political stability of Latin America and the Caribbean.

He criticized the industrialized nations lack of political will to cooperate to resolve the crisis and the harsh conditions imposed by the International Monetary Fund (IMF) on the nations requiring assistance.

The Dominican president was the only speaker at the inaugural ceremony of the third ministers' meetimg of the Cartagena group which is being attended by the foreign and finance ministers of 11 nations, including the three largest debtors in the world: Brazil, Mexico, and Argentina.

"I am greatly concerned over the menace this huge crisis poses to the recovery of stable democratic governments in our region which are freely elected by our peoples and committed not only to freedom, but also to the economic improvement of the majorities that elected them," Jorge Blanco said in his address.

He described those who see the Latin American foreign debt as a problem among bankers as "nearsighted," and noted that the creation and meetings of the Cartagena group show that "we are not experiencing a national, but a regional crisis."

The Dominican head of state, whose country is presently being hit by a wave of protests against the severe adjustment measures adopted by his government, also criticized the industrialized nations who maintain huge fiscal deficits and demand drastic reductions from the developing countries.

Jorge Blanco said that the foreign debt "neither is nor has it ever been a technical-financial problem; instead, it is a problem that requires a political solution."

In this respect, he urged a "political and constructive" dialogue in which the industrialized countries may express their "political willingness" to contribute to the solution of the problem through a "negotiated compromise."

"This implies that the industrialized nations must provide the financial resources that private banking neither can nor should provide exclusively. It also means that these countries must improve our exports access to their markets," he pointed out.

Jorge Blanco said that the protectionist policies, the high interest rates, and the fiscal and monetary policies of the industrialized countries "have caused serious damage to the terms of exchange of Latin America."

"The debt must be paid, but not at the cost of greater impoverishment for our people," the president said, denying that the Cartagena group is trying to become a "debtors club" to collectively negotiate their debts.

In his address the head of state also referred to the Dominican economic situation and said that in view of the pressures of its $2.6 billion foreign debt, the government "had no alternative but to negotiate with the IMF" an agreement that has stirred a wave of popular protests.

He added that the agreement sought "an economic breather" for the country and the "unblocking of bilateral assistance."

CHILE, BOLIVIA AGREE TO NEGOTIATE SEA OUTLET

FL071652 Mexico City NOTIMEX in Spanish 1630 GMT 7 Feb 85

[Text] Santo Domingo, 7 Feb (NOTIMEX) -- Government representatives from Chile and Bolivia have decided to meet here in private to discuss a possible solution to the matter of Bolivia having access to the sea.

It was reported that the Colombian Government will mediate in the negotiations and that President Belisario Betancur has promoted the talks.

Del Valle Comments

PY080203 Santiago Domestic Service in Spanish 2200 GMT 7 Feb 85

[Excerpts] Chile will reestablish formal contacts with Bolivia when appropriate conditions exist to reach positive results. This statement was made in an official communique signed by Foreign Minister Jaime del Valle.

In response to an initiative from Colombian Foreign Minister Augusto Ramirez, the foreign ministers of Chile and Bolivia met in Santo Domingo last night. The meeting was held in the Colombian Embassy in the Dominican Republic.

The communique indicates that the meeting was held to thoroughly evaluate the meetings with former Bolivian Foreign Minister Gustavo Fernandez. The meeting also served to study the elements that prevented the meeting scheduled in Bogota from being held. Del Valle said that after some consideration of this issue, Chile would officially resume formal contacts when appropriate condicitons exist, nothwithstanding contacts that can be made through the consulates in Santiago and La Paz.

ALFONSIN NOTES UNANIMITY OF VIEWS WITH NEVES

PY080112 Buenos Aires DYN in Spanish 2150 GMT 7 Feb 85

[Text] Buenos Aires, 7 Feb (DYN) -- Argentine President Raul Alfonsin noted today that he and Brazilian President-elect Tancredo Neves "are in complete agreement" over the problems "our countries are confronting and over international issues in general."

Alfonsin made this statement at Jorge Newbery Metropolitan Airport minutes after Neves left Argentina after a 2-day official visit.

Alfonsin noted: "I believe that Brazilian-Argentine relations, which are undoubtedly excellent, will improve. We shall have the opportunity to work together to achieve common objectives."

Alfonsin added that this work will be carried out "within the framework of democracy and freedom to strive to achieve Latin American integration and a new international economic order."

Alfonsin also noted that "the extraordinary thing about these meetings is that they have shown that we completely agree about those problems affecting our countries and about international issues in general."

ARMED FORCES CIVIL SERVANTS CALL 24-HOUR STRIKE

PY060155 Buenos Aires DYN in Spanish 2033 GMT 5 Feb 85

[Text] Buenos Aires, 5 Feb (DYN) -- The Armed Forces Civil Service Personnel Union [UPCFA] today called a 24-hour strike for tomorrow, something which should primarily affect the Ezeiza International Airport and metropolitan airports, and the central military, aeronautic, and military hospitals.

According to UPCFA Press Secretary Juan Angel Bautista, the strike has been called "because of the delay in payment of January salaries, which remain unpaid."

Bautista made it clear that the strike will primarily affect those three hospitals where the medical, nursery, and administrative staffs are affiliated with the UPCFA. At the military hospital, 1,500 out of 2,000 workers are affiliated with the UPCFA, Bautista stated.

Bautista added that the strike could also affect operations at Ezeiza International Airport and metropolitan airports where "traffic controllers, customs brokers, airline pilots, navigators, meteorologists, and instrumentation technicians" are UPCFA members.

The spokesman could not state the extent of the strike or whether it will interrupt operations at the airports, "since we still do not know how many people will comply with the strike call."

LA PAZ PEASANTS BLOCK ROADS, BLOW UP RAILWAY TRACKS

PY080132 Madrid EFE in Spanish 0112 GMT 8 Feb 85

[Text] La Paz, 7 Feb (EFE) -- Today the Interior Ministry reported that peasants of La Paz Department began blocking access to the capital. They also blew up the railroad tracks linking Oruro with Cochabamba. Using dynamite to blow up the tracks, the peasants isolated La Paz from the rest of the railway line. The explosion took place at the 255 km point of the railway linking La Paz with Oruro and Cochabamba.

The Bolivian Government has requested the intervention of the Armed Forces to control the situation to prevent the blocking of roads leading to La Paz from extending to other areas of the country.

The peasants are demanding from the government better economic conditions and the approval of a supplemental food system to prevent hunger and malnutrition.

Peasant Leader Explains Demands

PY080231 La Paz Cadena Panamericana in Spanish 1700 GMT 7 Feb 85

[Excerpts] Marcial (Canabiri), a leader of the La Paz Department Peasant Federation, has told Radio Panamericana that the road blockade in La Paz Department is spreading.

[Begin (Canabiri) recording] Among the main points, we are requesting the following: immediate delivery of basic food items plus a flour quota for every campesino deputy office through [word indistinct]; establishment of permanent gates at every blockade site and throughout the provinces of La Paz Department to control the (?fares) set by the bus owners; creation of a trade union police force to deal with all campesino affairs throughout the provinces to control the prices of basic food items; immediate delivery of the (?71) tractors [words indistinct] campesino vis-a-vis the agreement signed with the national government. [end recording]

(Canabiri) stated that the inhabitants of three La Paz provinces have decided to ask for the immediate resignations of Campesino Affairs and Agriculture Minister Guillermo Moscoso, who is trampling on the campesino community.

POLICE RAID TEACHERS ASSOCIATION OFFICE

PY072108 La Paz Cadena Panamericana in Spanish 1700 GMT 7 Feb 85

[Excerpt] Through its leader (Fernando Barriga), the La Paz Urban Teachers Association has strongly protested a police raid yesterday at the association's office. In a system of democratic freedom and respect for citizens, this police action is inadmissible, especially when students and teachers are demanding justice and well being.

Last night the Bolivian police raided the teachers association office, causing considerable property damage, to evict those on a hunger strike demanding that a property located on [names indistinct] streets be used to construct a school, our source stated.

In the future, police violence will be repealled with violence, (Barriga) stated.

PLANNING MINISTRY DISCLOSES FINANCIAL AID PLANS

PY072058 La Paz Radio Illimani Network in Spanish 1700 GMT 7 Feb 85

[Excerpt] During the next 3 months the government will implement plans to reactivate the flow of financial resources for our country, especially from the IDB and the Andean Development Corporation. It has been reported that the plans aim at obtaining approximately $45 million to carry out important development projects in strategic areas of the country. This information has been provided by officials of the Planning Ministry, who indicated that the planning minister is studying the plans which will then be submitted to the cabinet for consideration.

ANTI-DRUG OPERATION REPORTED NEAR COCHABAMBA

PY071520 Madrid EFE in Spanish 0052 GMT 7 Feb 85

[Excerpt] Cochabamba, 6 Feb (EFE) -- Security forces have disrupted cocaine production in the Valle Alto near Cochabamba, which had become the center of Bolivian drug trafficking and where the peasants had prevented police from entering. According to police estimates, about 600 kg of cocaine sulphate (basic paste) was produced weekly in the area and then taken to other places to produce the purified drug, which was then exported, primarily to the United States.

In operations undertaken this week, the Rural Patrolling Mobile Units (Umepar), the so-called Leopards commanded by Colonel Carlos Fernandez, confiscated over 80 kg of the drug, worth about 80 million Bolivian pesos, and four vehicles. They also detained about 100 organizations.

Col Fernandez, president of the National Committee for Combatting Drug Trafficking, has stated that the government intends to fight the drug, the curse of mankind, with all possible means. He admitted that the means are limited and again asked for help and cooperation from the industrialized countries affected by the problem, and from international organizations.

The operation, which continued today, was almost frustrated by lack of gasoline, which the Leopards had to buy on the black market at three times its normal price. The police action took place at Cliza, Pucamayo, Huasa Calle, Toco, Punata, and other small hamlets where thousands of peasants have left their customary work to produce cocaine in primitive, clandestine laboratories. In these laboratories, they tread coca leaves mixed with kerosene for which they are paid over $2 per day (the minimum salary in Bolivia, not earned by all, is $10 per month).

Last week, one of the laboratories burned down and five people died in the fire.

At night, planes land on clandestine airstrips to load the drug and unload chemicals for cocaine production, and money to pay the peasants.

Special U.S. Drug Enforcement Agency agents who, according to the morning paper HOY, have an office in Cochabamba, accompanied the Leopards as observers. A total of 400 men participated in the actions. They met occasional resistance and had dynamite sticks thrown at them. Several weapons were confiscated, including two modern M-16 rifles with telescopic sights. The peasants had made the region into a stronghold and did not permit the police to pass through. A few weeks ago, they tortured and murdered a lieutenant commanding an anti-drug patrol, and at other times they have taken hostages.

SANGUINETTI ADVOCATES LATIN AMERICAN INTEGRATION

PY080125 Madrid EFE in Spanish 1854 GMT 7 Feb 85

[Excerpt] Rio de Janeiro, 7 Feb (EFE) -- Today in Rio de Janeiro Uruguayan President-elect Julio Maria Sanguinetti expressed the need to end the rhetoric and to start working to achieve the economic integration of Latin America. Sanguinetti noted the need to achieve this integration now, taking advantage of the democratic thrust affecting the region. Sanguinetti made this statement during a press conference this morning at Rio de Janeiro international airport, where he made a stopover on his way to Montevideo from Caracas, Venezuela. After being welcomed by Rio de Janeiro Governor Leonel Brizola and Ambassador Antonio Fanfinato, head of the Brazilian Foreign Ministry department in Rio de Janeiro, Sanguinetti noted that Latin American integration is imperative today at the commercial, industrial, and agricultural level.

ORTEGA ATTENDANCE AT NEVES' INAUGURATION VIEWED

PY071435 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 85 p 4

[Text] Brasilia -- Nicaraguan President Daniel Ortega Saavedra will head the Nicaraguan delegation to the inauguration of Brazilian President-elect Tancredo Neves on 15 March. His entourage will be made up of Foreign Minister Father Miguel D'Escoto, Deputy Foreign Minister Jose Leon Talavera, Presidential Adviser Dionisio Marenco, and Nicaraguan Ambassador to Brazil Ernesto Gutierrez. Oretga's decision to attend Neves' inauguration has been interpreted by Brazilian diplomatic circles as a clear demonstration of the importance that the Sandinist regime gives to the Brazilian democratic opening and to its "undeniable influence" on the entire continent. It is also seen as "an unmistakable desire to expand relations with Brazil." Itamaraty sources have recalled that Ortega's attendance "is the culmination of a number of visits which have been increasing since August 1984." The first to come was Deputy Foreign Minister Jose Leon Talavera, who is returning now with the president. The second to come was Agriculture and Agrarian Reform Minister Jaime Wheelock, who is also one of the nine commanders of the Sandinist Front National Directorate. Wheelock was followed by Bayardo Arce, another commander and political coordinator of the Sandinist Front, a position the same as party president. Then Nora Astorga, deputy foreign minister, visited Brazil and became the big attraction at the OAS General Assembly held in Brasilia in November 1984. Ortega's coming is also seen by Itamaraty sources as an "immediate and positive" Sandinist response to the political invitations received from President-elect Tancredo Neves. Even before his election, speaking in November before the Chamber of Deputies Foreign Relations Committee, Neves "raised to a higher level" the language that the Figueiredo government had been using in refererring to the Central American conflict, and more specifically to the Nicaraguan problem. The Foreign Ministry quotes some of Neves' most important remarks. He said that Brazil has always recognized "the Nicaraguan Government and institutions" and that he would greatly deplore "any type of military intervention in Nicaragua, even a disguised one." Such an initiative could only deserve, according to the then candidate of the Democratic Alliance, "a protest and warning," and in addition, "a response from Brazil." According to Itamaraty, Tancredo practically "blessed the legitimacy" of the Sandinist regime, when he said: "We recognize the right of all peoples of Central America to choose their political system. We do not pass judgment on the institutions that might be created by those countries to handle their internal political affairs. We do not allow any type of violence or violation of their territory."

POLICE RAID JOURNALISTS GROUP, SEIZE NEWSLETTER

PY071415 Madrid EFE in Spanish 0230 GMT 7 Feb 85

[Text] Santiago, 6 Feb (EFE) -- A dozen plainclothes policemen carrying a search warrant issued by the Interior Ministry today raided the site of the Chilean Journalists Association and seized the latest edition of the journalists' newsletter. Alfredo Olivarez, national leader of the Journalists Association, told EFE that the policemen read the search warrant and seized the newsletter, in addition a photocopying machine, an electric typewriter, and the list of subscribers. Olivarez added that the objective of the newsletter was to fill the informative gap left in the country by the suspension of the magazines CAUCE, APSI, ANALISIS, FORTIN MAPOCHO, LA BICICLETA, PLUMA Y PINCEL; the prior censorship imposed on the magazine HOY: and the ban on publishing news related to political and terrorist actions imposed on the other news media. The newsletter is prepared by the metropolitan council and reporters from the closed magazines, Olivarez stated. He termed the raid another attack on the possibility of publishing news on what is happening in the country.

POLICE-MILITARY RAID SANTIAGO CAMPS 6 FEBRUARY

PY071835 Buenos Aires TELAM in Spanish 1749 GMT 7 Feb 85

[Text] Santiago, 7 Feb (TELAM-REUTER) -- Riding tanks and buses, and supported by helicopter gunships and heavily armed police and military forces have moved the Cardinal Silva Enriquez and Monsignor Juan Francisco Fresno poor districts (camps) in the southern part of Santiago, and have proceeded to detain an undetermined number of people. The report, which was disclosed today to the media by church sources, says that the violent operation took place shortly before midnight on 6 February. Under the state of siege, government authorities do not report on this type of operation. A priest said that the government forces had a list of people they wanted to detain and that they had forced nearly 20,000 people to leave their houses and line up on the streets, which were heavily guarded by policemen and soldiers. The priest added that the deployment of arms and men was similar in quantity to the operations carried out in November last year, in the wake of the imposition of the state of siege in one of the two camps. However, houses were not searched last night. Since official sources have declined to give any information on the subject, it is not possible to know how many people were detained during this operation.

Nine Persons Arrested

PY080234 Santiago Radio Chilena in Spanish 2200 GMT 7 Feb 85

[Text] Nine persons have been arrested during the inspections carried out in three camps at the requestof the people living there. This information has been disclosed by the Government Social Communnications Agency, Dinacos, in the Diego Porlates building. The Dinacos document says: In the past few hours investigative and security forces carried out inspections in three camps at the request of the people living there. These people submitted a request to the intendancy of the metropolitan region asking for the implementation of urgent measures to control antisocial and criminal elements.

Out of the 246 people checked, 9 were arrested for various reasons but most of them were later released. In the 23 August camp, 109 persons were checked, and 7 were arressted for having criminal records and pending warrants for their arrest. In the Juan Francisco Fresno Camp another 98 persons were checked and 1 was arrested.

In conclusion, the Dinacos communique says that in the Cardinal Silva Enriquez camp 39 persons were checked and 1 was arrested for possessing an illegal weapon.

RAMIREZ SUPPORTS VENEZUELAN BORDER PROPOSAL

PA062218 Bogota Emisoras CARCACOL Network in Spanish 1215 GMT 6 Feb 85

[Text] Bogota -- Colombian Foreign Minister Augusto Ramierez Ocampo has described his Venezuelan colleague's idea to consider using the International Court of Justice at The Hague to solve the two countries' border differences as a historic proposal.

However, on behalf of the Colombian Government, Mr Ramierez Ocampo said that mediation or arbitration should only be sought after direct negotiations have been exhausted. He added that those negotiations should have a deadline to prevent further delays on the delimitation of marine and submarine areas.

Foreign Minister Ramirez Ocampo said: Those negotiations have been frozen since the signing of a (?draft treaty) was frustrated during the administration of President Turbay Ayala because his colleague Luis Herrera Campins did not find the proper conditions in Venezuela to formalize an agreement.

He concluded: Given that we are permanent advocates of dialogue, we agree with either system: direct negotiations or mediation by international organizations.

NEW 'IMPORTANT' OIL FIELD DISCOVERED IN ARAUCA

PA062152 Hamburg DPA in Spanish 1851 GMT 5 Feb 85

[Text] Bogota, 5 Feb (DPA) -- An official source in Bogota has reported another important oil discovery in Colombia, in Arauca near the Venezuelan border.

The state-owned Colombian Petroleum Enterprise (Ecopetrol) and the multinational Occidental Petroleum Corporation, which are jointly carrying out those explorations, reported that the new field could gain "wordwide importance" due to its potential reserves. The discovery was made in the vicinity of Cano Limon, in the eastern plains, where another field with a high production potential was recently discovered.

Colombia, which currently produces 160,000 barrels per day, plans to be self-sufficient by 1987 and to begin exporting the surplus. Recently the country ceased to be an exporter of fuel and became an importer.

Ecopetrol President Rodolfo Segovia and Occidental President Ray Irani, who is visiting Colombia, stated in a joint communique issued in Bogota that the first well drilled in the new oil field has a combined reserve of 6,200 barrels per day of 33.7 degrees API petroleum. This well is approximately 5 km west of the Cano Limon field and its geological structure is different than that of Cano Limon.

The communique stated: "This new discovery increases the importance of the Cravo Norte (Cano Limon) area. It makes it an oil-producing region with great worldwide importance due to the volume of its reserves and production potential."

The communique also revealed that preparations to begin drilling other prospective fields near Cano Limon, namely Cano Verde, Pirana, and Pituco were initiated this month.

OIL PRODUCTION TO INCREASE TO OFFSET PRICE DROP

PA072350 Paris AFP in Spanish 1612 GMT 5 Feb 85

[By Rodrigo Jacome]

[Text] Quinto, 5 Feb (AFP) -- Fernando Santos, Deputy minister for natural resources, has announced that the oil price drop in the international market will be compensated in the Ecuadoran budget through a production increase. Ecuador, one of OPEC's 13 member countries, produces 270,000 barrels of oil a day. The $1 price drop per barrel would mean that Ecuador would earn $60 million less. It would be very difficult for the Ecuadoran economy to bear this price reduction. For this reason, the country hoped to increase its oil production by 20,000 barrels daily at the new wells of the east Amazonian area which the Ecuadoran State Petroleum Corporation operates jointly with Texaco Petroleum Company. According to Santos, who representes Ecuador as governor during the latest OPEC meeting where it was agreed to lower the price of oil, the slight increase in Ecuador's oil production will cause no problems because OPEC's overall production ceiling has been fixed at 16 million barrels daily, although production is actually 14 million barrels daily. In addition, Ecuador retains its special privileges as a marginal producer.

Santos, who worked at OPEC's legal office in Vienna for 10 years, said that according to the agreed upon production ceiling, Ecuador should produce 183,000 barrels daily, "but OPEC members know that an Ecuadoran production increase would not have any adverse effect on overall production. They are particularly aware of this nation's situation and problems." To achieve this production increase, Ecuador has increased its oil carrying capacity through the trans-Ecuadoran oil pipeline, a 504 km pipeline running from the east Amazonian region to the Balao seaport in the northern coastal province of Esmeraldas. The oil pipeline will now be able to handle 300,000 barrels a day. To do this, a larger capacity pumping system will be sustituted. This new system will be especially useful in those places where the pipeline must climb the mountain ranges of the Andes.

Ecuador consumes between 115,000 to 120,000 barrels of the 270,000 barrels that it produces. The country has encountered problems since December, when its long-term (quarterly) sales contracts were renewed. The price of oil in Ecuador's long-term contracts, which cover nearly all of its exportable production, was $27.50 a barrel, but since December buyers have refused to pay this price. Ecuador even has to cancel a spot sale because offers fluctuated between $23.20 and $24.80 per barrel. However, now oil has a new international price and Ecuador is ready to sign long-term contracts based on a price between $26.00 and $26.50 a barrel. In addition, Ecuador has storage problems; its storage capacity is slightly above 1.5 million barrels. For this reason, Mexico's offer to store Ecuadoran oil could save the country from problems bound to ensue from the inability to sell the oil on the international market, due particularly to low demand. It is not necessary, however, to accept Mexico's offer, since Venezuela has made the same offer.

According to official figures, the export of oil and by-products during 1984 amounted to 1.798 billion barrels; this represented 70 percent of total sales. The sale of crude oil reached $1.623 billion in 1984, or 63 percent of the country's total exports of basic oil products, while $175 million of by-products were sold from refineries. This figures represents 48 percent of Ecuador's exports of industrial products. The country's refining capacity, however, is insufficient, and it is necessary to import gasoline and liquefied gas, often bartering these products for crude oil.

PERCOVICH DEPARTS FOR CARTAGENA CONSENSUS MEETING

PY071652 Lima Cadena Panamericana Television in Spanish 0200 GMT 7 Feb 85

[Press conference held by Peruvian Prime Minister Luis Percovich on 6 February, before departing for the Cartagena Consensus meeting of Latin American nations in Santo Domingo -- recorded]

[Text] [Percovich] Tonight I am traveling to Santo Domingo to the meeting of the foreign and economy ministers of the 11 member countries of the Cartagena Consensus which is being held for the purpose of continuing our dialogue about the strategy to implement in order to pay our foreign debts. Given the considerable foreign debt of the Cartagena Consensus members countries, the problem has moved from the economic field to the political sector. This is the overall outlook of our position. However, we have to discuss a lot of details and propose solutions according to the payment capabilities of the different countries, within a general framework that will then be developed into bilateral negotiations.

[Reporter] In your opinion, what are the most important issues to be discussed during the meeting?

[Percovich] Mainly, we want to obtain more appropriate repayment schedules to renegotiate the foreign debts, and, if possible, to obtain a reduction in the current interest rates. We also want to set some conditions to allow each of the countries to pay in keeping with its exports and without affecting its foreign currency reserves, or national development.

In sum, we want better repayment schedules and, if possible, a reduction in the interest rates that we are paying.

GARCIA DENIES ROK EMBASSY CONTRIBUTING TO APRA

PY071720 Lima Cadena Panamericana Television in Spanish 0200 GMT 7 Feb 85

[Excerpts] This evening President Belaunde Terry met with Alan Garcia, the American ano Revolutionary Popular Alliance [APRA] presidential candidate, with whom he discussed various issues such as the economic policy, the transition phase, and the problem of feeding the poor. The following are some of Alan Garcia's remarks after the meeting:

[Begin recording] [Garcia] Personally I think it was a very friendly conversation during which I told the president about the APRA's concern over inflation, which reached 14 percent in January, and which represents a more than 200 percent annual inflation.

[Reporter] What could you say about the newspaper report saying that the ROK Embassy is helping to finance the APRA electoral campaign?

[Garcia] I think that a blow below the belt like that one only benefits those who receive it. Not only has that been said, but documents with many accusations and slanders are being distributed. I believe that the proper way to respond to them is to ignore them. I think it is lamentable that such methods should be used in an electoral campaign. It only demonstrates the despair of those who have many privileges here and who are probably desperate because they could lose them. [end recording]

ROK Ambassador's Denial

PY071908 Lima Televisora Lima in Spanish 0300 GMT 7 Feb 85

[Text] ROK Ambassador to Peru Kim Chan-sik today categorically denied the report that says that his country is allegedly contributing money to the APRA electoral campaign. The following is an interview with Ambassador Kim.

[Begin recording] [Reporter] Was not Mr Alan Garcia present here at the embassy some time ago?

[Kim] Yes, that is true. He came here last week with APRA congressmen.

[Reporter] Is it true that during that meeting your country agreed to grant financial support to the APRA electoral campaign?

[Kim] That is false, very false. We have good relations with all the political parties of Peru, and we prefer not to interfere in their internal affairs.

[Reporter] Then why did Alan Garcia and the APRA congressmen come to the embassy?

[Kim] We normally invite (?politicians) here to exchange political opinions, and the APRA congressmen were invited to dinner and to watch a movie that [words indistinct]. [end recording]

GENERAL RUIZ FIGUEROA LEAVES FOR U.S. VISIT

PY071412 Lima Radio del Pacifico in Spanish 1200 GMT 7 Feb 85

[Text] Army Commander General German Ruiz Figueroa traveled to the United States yesterday in response to an invitation by the U.S. Army. Gen Figueroa will visit military installations of interest to the Peruvian Army.

BRIEFS

NEW CURRENCY IN CIRCULATION -- Lima, 1 Feb (EFE) -- As of today Peru has a new currency, the Inti, which is equivalent to 1,000 soles, will be used for commercial transactions until the Central Bank replaces it with yet another currency. [Summary] [Madrid EFE in Spanish 2258 GMT 1 Feb 85 PY]

URUGUAY'S SANGUINETTI ON DOMESTIC, OTHER ISSUES

Holds Press Conference

PA071658 Paris AFP in Spanish 1735 GMT 6 Feb 85

[Text] Caracas, 6 Feb (AFP) -- President-elect Julio Sanguinetti said today in Caracas that Uruguay will seek a national consensus to overcome the traumas prevailing in the country after 11 years of "de facto regimes," which are about to conclude. The military officers guilty of violating human rights during that period will be judged by ordinary courts, Sanguinetti said during a press conference. The president-elect stressed that he has talked with the military officers to establish their position within the government, which will be sworn in on 1 March. According to the results, the executive and judicial branches will act with "sufficient autonomy."

Sanguinetti discussed two fundamental problems which he must resolve in his country: the economic and political orders. Regarding the political order, he said that his country's entire democratic process is linked to a consensus among the parties, the business sector, and the workers, although this does not mean that there must be "unanimity." Regarding the economic order, he said that the main goal is to reactivate production because Uruguay has suffered a 15-percent drop in its gross national product during the past 3 years, unemployment has reached 15 percent, inflation has reached 70 percent, and the fiscal deficit has increased by approximately 40 percent. He added that the foreign debt is equal to the gross national product and represents 5 years' worth of exports.

The most important thing for Sanguinetti is to achieve an economic reactivation without incurring inflation, which only leads to rash increases in prices and salaries and would only benefit speculators.

Referring to the foreign debt, Sanguinetti said that he has always advocated the proposal that Latin America unite for an overall negotiation of its debt to international banks, and he will continue to pursue this goal in his government.

Sanguinetti confirmed that the amnesty in his country will be completed after his inauguration and that the country will return to the 1957 Constitution; therefore, it can be asserted that there will be complete freedom for all the political parties.

Asked about the Chilean military regime and a possible Uruguayan intervention to restore democracy in Chile, Sanguinetti said that his country "does not exert pressure" on other governments. Nevertheless, he added: "We would welcome any effort to achieve democratization in Chile or any other country that does not have a democratic government."

Sanguinetti also advocated the achievement of peace in Central America, adding: "We have always supported the Contadora Group's efforts."

When asked about the renewal of diplomatic relations with Cuba, he said that this issue is being studied in terms of the principles of nonintervention and self-determination.

Regarding relations with socialist countries, particularly the Soviet Union, he said that these countries have always had commercial relations with other Uruguayan regimes, democratic and de facto, and added that they will continue under his government, as long as there are no ideological conditions in their commercial and cultural treaties. Upon concluding the press conference, Sanguinetti met with former Venezuelan President Luis Herrera Campins, and attended a SELA ceremony.

Remarks During SELA Visit

PA071707 Madrid EFE in Spanish 0139 GMT 7 Feb 85

[Text] Caracas, 6 Feb (EFE) -- My government will support all initiatives aimed at promoting a firm and responsible dialogue on the region's debt. This statement was made by Julio Maria Sanguinetti, president-elect of Uruguay, at SELA headquarters, which he visited on an invitation from Sebastian Alegrett, the organization's secretary. Sanguinetti was accompanied by former Venezuelan President Carlos Andres Perez. The Uruguayan leader said that Latin America must make itself heard by the large industrialized countries to discuss the debt "without ignoring our responsibilities." We are not encouraging anachronistic moratoriums, he said. Regarding trade, he noted: "We are not asking for charity; we are calling for a more equitable trade relationship."

The leader of the Colorado Party, who will be sworn in as president of Uruguay on 1 March, said his government will back all programs aimed at strengthening Latin American integration. Sanguinetti stated: We are not so naive as to ignore the difficulties we face, but in today's turbulent world it is better to stick together than to go separate ways.

On political matters, Sanguinetti noted that Latin America is enduring a period of "great tension," evident in the economic and social sectors. Sanguinetti referred to the conflictive Central American situation, expressed his support for the peace efforts of the Contadora Group, and proclaimed: "There will not be peace without progress nor progress without peace."

Alegrett stated his pleasure over Sanguinetti's visit and noted that the region is going through a period of profound transformations in economic relations. He said that Latin America and the Caribbean must solidly defend their international positions. Alegrett appealed for careful meditation in this regard and stated that the region has clear objectives as well as institutions capable of promoting development. He said: It is necessary to overcome defeatist attitudes and to act. He also noted that it is necessary to make decisions in favor of Latin American integration, as Sanguinetti has done.

ENERGY MINISTER DISCUSSES OIL MARKET ADJUSTMENT

PA060420 Paris AFP in Spanish 1939 GMT 4 Feb 85

[Text] Caracas, 4 Feb (AFP) -- Venezuelan Energy Minister Arturo Hernandez Grisanti said in Caracas today that the petroleum market has begun to strengthen after OPEC's recent modification of its pricing system. "As soon as OPEC made the decision on 30 January, the price of petroleum in the spot market began to go up," Hernandez Grisanti told a press conference.

He explained that the North Sea crude, whose price was $27.05 a barrel (159 liters), climbed $0.30 a barrel on Wednesday, $0.50 on Thursday, and $0.40 on Friday, for a total increase of $1.20 in just 3 days. The Arabian light crude (former OPEC benchmark), whose price on the spot market was $27.60 a barrel on Wednesday, rose to $27.85 on Friday. This brings it closer to the new official OPEC price of $28. The Arabian heavy crude whose price was $26.60 went up $0.15, and the price of diesel oil rose $1.20 a barrel in the last few days, Hernandez Grisanti said. "The market's awareness and reaction to OPEC decisions are positive," the Venezuelan minister added.

NEW GOVERNMENT MEASURES TO REDUCE EXPENDITURES

PA072010 Paris AFP in Spanish 1044 GMT 7 Feb 85

[Text] Mexico, 7 Feb (AFP) -- Last night the Mexican Government announced measures to further reduce public expenditures, reduce subsidies, eliminate nonpriority projects, and liquidate 236 state institutions to cope with current economic problems.

With this purge of investments, the government plans to save 100,000 million pesos (approximately $5 billion). To top this off, it will also save money by freezing appointments of personal advisers in the public sector and other expenditures at the state level.

This package of measures is aimed at easing the effects of the drop in oil prices (Mexico announced a $1.25 per barrel decrease in its export crude price on 4 February). It also pledged to maintain its short-term economic recovery policy by correcting deviations that occurred during 1984.

The official document issued to announce these measures stated that they will not affect priority policies, especially those concerning food, education, health, and housing. In addition, the state will maintain its economic leadership and control over strategic institutions.

Mexican President Miguel de la Madrid called for perseverance in implementing the restructuring program. During an economic cabinet meeting in which these measures were approved, he established the struggle against inflation, which reached 59.2 percent compared to an expected 40 percent, as the government's top priority.

The package includes measures to improve control and collection of taxes, prevent overprotection of trade in certain sectors, and promote exports.

The document stated that in 1984 the GNP increased by nearly 3 percent, private investment by 4 to 5 percent, and bank deposits by 7.6 percent. Meanwhile, interest rates payable dropped by 9 to 10 percent.

According to the government document, nonpetroleum exports increased in 1984, inflation dropped 22 percent from the previous year, and the public debt dropped by 20 percent. In addition, although there were signs of recovery in the labor force, the minimum wage lost buying power, but not as much as in 1983. The remainder of the balance of payments current account totaled $35 billion and foreign currency reserves were approximately $85 billion.

However, the government document stated: "Developments at the end of 1983 and the beginning of 1984 show signs that warrant immediate state action to correct deviations and maintain the course specified by our economic policy." It pointed out some of the most important problems, including excessive inflation registered in 1984 and January 1983 and the drop in oil prices which will bring about a decrease in revenue of approximately $3 billion in 1985 should the current price levels prevail.

LABASTIDA OCHOA ON DECREASE ON OIL PRICE

FL060234 Mexico City NOTIMEX in Spanish 2150 GMT 5 Feb 85

[Text] Queretaro, Mexico, 5 Feb (NOTIMEX) -- Francisco Labastida Ochoa, secretary of energy, mines, and parastate industry, said today that Mexico will not change its export level to compensate for the decrease in the price of crude oil.

He said the goal is to continue exporting 1.5 million barrels per day, which will be sold according to market conditions with efforts to avoid saturating the market or affecting other interests.

Interviewed after the ceremony commemorating the 68th anniversary of the 1917 Constitution, Labastida Ochoa admitted that the reduction in the price of Mexican petroleum would have an impact of about $300 million. He explained that nevertheless the basic purpose of this decision made by PEMEX is to keep the price of oil competitive in different markets and regions. He said Mexico's policy is not to sell all its oil to a single market and more specifically, not to sell more than 50 percent of its exports to any single country.

The basic purpose of the drop in the price of crude, he said, is to maintain competitiveness in the different markets so as not to depend solely on exports to a single nation. He stated: We consider this a healthy policy and we are going to continue it.

NEW PETROLEUM DEPOSITS EXPECTED IN OAXACA

FL061912 Mexico City NOTIMEX in Spanish 2250 GMT 5 Feb 85

[Excerpts] Oaxaca, 5 Feb (NOTIMEX) -- Carlos Manuel Sada Solana, Oaxaca secretary for state programs, said today that PEMEX had struck gas in the Tuxtepec region and and this is one of the first indications of oil in the area.

The first positive results were noted in the Tuxtepec region near San Felipe Usila, where it was necessary to evacuate residents when a large amount of gas came out of the drilling sites.

PEMEX recently discovered new petroleum deposits in the Campecheque Sound, which increased proven reserves by a considerable amount.

BRAZIL'S NEVES ON DOMESTIC PROBLEMS, FOREIGN TIES

PY080013 Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Feb 85 p 6

[Press conference held by Brazilian President-elect Tancredo Neves at the Camino Real Hotel in Mexico City on 5 February]

[Text] [Question] Is Brazil going to use the prescriptions of the IMF or create a debtor's club to emerge from the crisis?

[Neves] Brazil is the largest debtor in the world but also the country with the greatest potential in the world. The debt does not scare us. We are capable of adjusting it to our ability to pay. Furthermore, the money we borrowed was not squandered. We built Itaipu, the largest hydroelectric plant in the world; Tacurui, the third largest hydroelectric plant in the world; the iron-ore railroad; and the Carajas railroad. We built two subways and developed a highway program and a health and education program. We built houses for low-income people. We carried out sanitation projects. We have a bold and large nuclear program and a telecommunications program which has placed Brazil among the most modern in the world in this sector. Perhaps some of these projects could have been carried out at a lower cost for the nation. Nevertheless they exist, and we are going to pay the debt with the work of the Brazilian people. The problem of interest rates is serious. Formulas are being studied for future negotiations with creditors. The debt should be paid without restricting economic development.

[Question] Is there political will on the part of the indebted countries to prevent the payment of the debt from strangling their economies?

[Neves] The problem of the capitalist system is that the motive of everything is profit. It is difficult to make capitalist enterprises and countries desist from profit making. There is no political intention to strangle the indebted countries, but there is a desire for profit.

[Question] You said that you are going to inherit a catastrophic situation. Who are you going to give priority to: the starving 80 million or the IMF?

[Neves] Nowadays we cannot live in tranquillity and with a happy heart. The problems of misery, terrorism, and other ills do not allow us to live in tranquillity. Brazil must make an all-out effort to stop inflation, to place it at tolerable levels. Otherwise we will not be able to look to the future with confidence. We are capable of stopping inflation and resuming economic development to create jobs and to ensure just salaries for workers.

[Question] How do you plan to fight unbridled inflation?

[Neves] It is difficult to stop inflation, but it can be fought. Our friend Felipe Gonzalez of Spain reduced inflation from 30 to 6 percent. Mitterrand of France made it fall to less than 5 percent. Mexico obtained excellent results by reducing it from 98 to 59 percent and setting a goal to reduce it to 35 percent this year. We can reduce inflation, but not without sacrifices. In Brazil the inflation problem is difficult; however, we either destroy inflation or inflation will destroy us.

[Question] Did you discuss the issue of a social pact during your talks with Felipe Gonzalez?

[Neves] In none of the countries we visited was it possible to fight inflation without an extensive agreement between businessmen and workers. In Mexico, after long negotiations, President Miguel de la Madrid concluded an agreement with salary readjustments below inflation rates, an agreement which we cannot think about in Brazil.

[Question] Last year Brazil paid $14 billion in interest on the debt. Is it possible to fight inflation, resume economic development, and reduce unemployment with that kind of payment?

[Neves] Interest rates are extremely high. It will not be difficult for Brazil to pay the debt in the long term of 14, 15, or 16 years. However, interest rates are a problem. We pay the interest we are charged. However, we are already negotiating to lighten that burden and to use part of the amount we are paying in interest for development projects. But the creditors are intransigent and inflexible on the issue of interest.

[Question] What should be done about the intransigency of the creditors? What would you do that the current government is not doing?

[Neves] We have no other alternative but to honor our commitments. If the current government concludes the negotiations, we will respect it. If it is left to my government, we will study what to do. However, I do not believe in a political solution to this problem. I have more faith in financial negotiations with the creditors.

[Question] Can you give a better explanation of what you mean by financial negotiations?

[Neves] The most recent example is when President Figueiredo telephoned President Reagan during an emergency situation and was immediately answered.

[Question] Mexico is considered a standard debtor country. During your conversations with the Mexicans, did you find any formulas that could be useful in Brazil?

[Neves] Mexico renegotiated its foreign debt without any problems. This was possible because Mexico gave unequivocal demonstrations that it was willing to resolve the country's problems. Three years ago Mexico imposed a harsh austerity program and this is why renegotiation was easy.

[Question] What can be done to increase trade between Brazil and Mexico?

[Neves] The economies of the two countries are complementary. In 1981 we reached $1.4 billion in our commercial trade. Our trade can be substantially increased in all areas.

[Question] Sir, you have said that Brazil is the United States' best friend. What is the meaning of that statement?

[Neves] Relations between Brazil and the United States were established long ago. These relations date back to the days preceding independence, when Thomas Jefferson, the U.S. ambassador in Paris, held contacts with Brazilians. We maintain a cordial and objective relationship with the United States of America. We do not have any political problems with Washington. Our problems are of an economic nature, chiefly the foreign debt and protectionism. However, the friendship with the United States of America is not exclusive: Brazil maintains the best of relations with the other nations of this continent.

[Question] What are the main lines of your foreign policy regarding Central America and Africa?

[Neves] We are on good terms with all Latin American nations. We have borders with all of them and are good neighbors. Concerning Africa, we were the first to recognize the Angolan Government, and we uphold a relationship of support and solidarity with the new African countries. Concerning Central America, we feel that the best way to peacefully resolve the conflicts of the region is to give moral and political support to the Contadora Group.

[Question] Will your foreign policy be changed to give priority to Latin America, paying less attention to Africa and the Middle East?

[Neves] No. I want to make it quite clear -- as a matter of fact it has always been clear but it has not been clearly understood -- that Brazil is a Third World country. Therefore, we are a member of the Group of 77. We have a very profitable commercial relationship with the Third World. However, Brazil is not a member of the nonaligned; we are just observers. Concerning your question, our primary duties are toward Latin America. But this does not change our relationship with Africa and the Middle East, which will continue to be good.

[Question] What is your stand concerning the USSR?

[Neves] I am willing to answer this question. As prime minister, I was the one who reestablished ties with the USSR. There are no reasons not to maintain the best possible relationship with the USSR. At this time I do not see any problems between Brazil and the USSR.

[Question] How far are the Latin American countries from growing again and cutting loose from the directives laid down by the United States?

[Neves] Underdevelopment is a tragedy that nations can escape only through their work, ability, and intelligence. The assistance of the rich countries is important so that underdevelopment can be defeated with greater ease. But we do not have a choice in overcoming underdevelopment except for our toil, energy, and ability.

[Question] How will you reconcile the different political positions of the groups that supported you in the elections?

[Neves] I am not commited to any one group, not even my own party. I only accepted being a candidate if I could be uncommitted. However, support is needed in order to govern. I will try to govern with the forces which helped me in the elections. I will run an administration marked by transformations, with honest, competent persons imbued with a spirit of public service.

[Question] Do Nicaragua and Chile compromise democratization on the continent?

[Neves] With regard to Nicaragua, our stand is one of respect for the principle of nonintervention. The conflict must be resolved by peaceful means. Concerning Chile, we also respect the principle of nonintervention. But I expect to see Chile restore its democratic tradition, the oldest and richest one on the continent, which was tragically interrupted the day the democratic regime of President Salvador Allende was attacked.

[Question] Will you prosecute the part of the military involved in the repression?

[Neves] In Brazil we have an amnesty law that includes all the groups involved in the struggle. The amnesty law has sealed off the past.

PRESIDENT URGES RECOVERY OF STATE FUNDS, ASSETS

PA070043 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Feb 85 p 1A

[Excerpt] Exercising his constitutional authority, the president of the Republic, Dr Nicolas Ardito Barletta, issued instructions to the judicial branch to adopt the necessary legal measures to recover funds and other state assets that may have been subject to illegal handling, as well as to demand indemnification for the damages cuased by such crimes.

In a letter addressed to Attorney General Manuel Jose Calvo, the head of state says that according to Article 307 of Law 61 of 1946, we respectfully instruct you to initiate proceedings and adopt the necessary legal processes to recover funds and other assets that may have been subject to criminal acts denounced before the respective authorities.

It must be pointed out that to properly apply the consitutional precepts in this respect, the national government notes through Resolution No 7 of 26 December 1984 "that the courts of justice have some cases pending as a result of charges filed for illegal acts affecting public patrimony;" and that "the executive branch is interested in adopting whatever legal measures necessary for the recovery of the assets and indemnification for the damages caused to state entities in compliance with the law."

COCINA DEMANDS POLITICAL 'ALTERNATIVES,' DIALOGUE

PA071504 Panama City LA PRENSA in Spanish 3 Feb 85 p 20 A

[Communique to the nation issued by the Coordination Board for National Civilianization, Cocina; date not given]

[Text] The prevailing corruption and the absence of alternatives have been two constant factors in Panama. Cocina emerged as a moralizing movement which has pointed out that the top military echelons, in complicity with international credit organizations, are responsible for the current crisis. Cocina is opposed to any kind of imposition, and demands the implementation of dialogue as a way to reach decisions. Cocina demands the purging of the public administration, the recovery of illegally acquired property, and a drastic reduction in the National Defense Forces' budget as indispensable measures required for decency to prevail. At the same time it warns that a true moralization process cannot begin if the top military echelons are not altered.

Cocina feels that the political parties should offer real alternatives as solutions, and therefore urges them to propose their alternatives to the country.

Cocina, the authorized voice of Panama's majority sectors, once again points out the seriousness of the current situation and demands the institutionalization of dialogue as the vehicle for national unity. Cocina will never accept a "negotiated solution" or political alliance between leaders of any political party and the top military echelon. Cocina believes that the necessary conditions exist in Panama to eradicate corruption from its roots.

[Signed] Mauro Zuniga, National Medical Negotiating Commission
Nestor Mendez V., Association of Professors
Ada de Gordon, Independent Teachers
Carlos Herrera, student groups
Rogelio Douglas, Association of Private School Educators
Maria V. de Arias, National Medical Association

COSTA RICA

FURTHER ON CUBAN MEDIATION; CHAMORRO DEPORTED

Cuba Seeks Mediation With U.S.

PA080417 Paris AFP in Spanish 0312 GMT 8 Feb 85

[Text] San Jose, 7 Feb (AFP) -- Costa Rican Foreign Minister Carlos Jose Gutierrez today reported that the Cuban Government has asked Costa Rica to mediate so that the interrupted dialogue with the United States may be resumed.

According to sources close to the presidency, Cuban envoys Ramiro Abreu, member of the American Department of the Communist Party of Cuba Central Committee, and Felix Luna met with President Luis Alberto Monge last week and expressed to him Cuba'a concern over the tensions between Costa Rica and Nicaragua. It has been reported that the Cuban representatives offered to mediate in the Nicaragua-Costa Rica dispute over the case of Jose Urbina, a young man who was under diplomatic protection at the Costa Rican Embassy in Managua and was abducted by Sandinist security agents on 24 Decembber during a confused incident outside the embassy.

Costa Rica has conditioned its attendance at the upcoming Contadora meeting in Panama City on 14 February on Urbina's release. Costa Rica interprets his abduction as a violation of the right to asylum. The Cuban Government has not concealed its interest in having the Contadora Group's mediation process succeed.

The foreign minister asserted, however: "The Sandinists did not produce any formula for an understanding. At any rate, a solution to this problem could only be the result of the Contadora efforts."

In addition, the Costa Rican Government has ordered the expulsion of anti-Sandinist leader Adolfo Chamorro and given him a 48-hour deadline to leave the country, the foreign minister reported. Chamorro, personal assistant to counterrevolutionary leader Eden Pastora, made comments to LA PRENSA in San Jose on 31 January stating that his group, the Democratic Revolutionary Alliance, ARDE, patrols the San Juan River area with the support of the Costa Rican Civil Guard. This, however, has been denied by Minister Gutierrez.

Today, the Foreign Ministry sent its reply to a Nicaraguan protest note over ARDE's actions in the country. In the note, the Foreign Ministry announces its determination to expel Chamorro from Costa Rica. In the note, the ministry also refutes the charge against the Radio Costa Rica, whose financing and programming is provided by the Voice of America. The existence of this radio station was mentioned in the Sandinists' protest regarding alleged U.S. efforts to oust the Managua government.

Chamorro Leaves for Panama

PA080300 Hamburg DPA in Spanish 0220 GMT 8 Feb 85

[Text] San Jose, 7 Feb (DPA) -- The Costa Rican Government today deported Adolfo Chamorro, a high-ranking leader of the Democratic Revolutionary Alliance (ARDE), for "participating in actions that jeopardize the country's neutrality." At a press conference last week, Chamorro made statements about ARDE's military activities in southern Nicaragua and the need to collect funds from the Costa Rican people to help finance those groups.

After reviewing the matter, the Costa Rican Security Council decided to deport Chamorro, who has left for Panama. Today, Chamorro said: "I will join the forces that are fighting against the Sandinist government in southern Nicaragua." Chamorro is regarded as ARDE's number two man after Commander Cero, Eden Pastora.

The government has reiterated that "ARDE is awarded space for political but not military action in Costa Rica, and that Costa Rica will respect the right to asylum of Nicaraguans who live here and struggle for their ideals but will not allow military actions of any kind.

Urbina Ortega on Cuban Role

FL071946 Mexico City NOTIMEX in Spanish 1857 GMT 7 Feb 85

[Text] San Jose, 7 Feb (NOTIMEX) -- Costa Rica's Deputy Foreign Minister Jorge Urbina Oretega has told NOTIMEX that the Government of Costa Rica hopes to normalize relations with Nicaragua very soon. He said that despite the deterioration of bilateral relations over the detention of asylum seeker Jose Urbina Lara at the Costa Rican Embassy in Managua last December, both President Luis Alberto Monge and Foreign Minister Carlos Jose Gutierrez are trying to improve diplomatic relations and deny any intention to break them off. Urbina Ortega denied rumors which were circulating in Washington on a break in relations between the Governments of Costa Rica and Nicaragua because Monge's administration has not found solid evidence to make such an important change in its relations with the Nicaraguan regime.

He said both Monge and Gutierrez foresee a quick change in the Urbina Lara case, with him possibly being freed. In that way, he added, relations would normalize, communications will improve, and the Contadora peace process can continue. I have faith, that on Thursday, 14 February (the date the Contadora technical group will meet) in Panama, all of the countries in the region will sit down to negotiate, Urbina Ortega said.

He said that this should not be attributed to a supposed mediation by Cuban President Fidel Castro, as some local newspapers have reported. Urbina Ortega said the Sandinists are far from being Cuban puppets, that they have demonstrated this in the past, and that any solution will depend on mediation by Contadora and the willingness of Costa Rica and Nicaragua.

In conclusion, he said that at the recent meeting between two Castro envoys and President Monge here, they had hardly touched upon the Urbina Lara case, because the main discussions had been on the Contadora peace process and Cuban support for the additional protocol to the document on peace and cooperation in Central America.

DEVELOPMENT CORPORATION TO BE REORGANIZED

PA062226 San Jose LA PRENSA LIBRE in Spanish 30 Jan 85 p 2

[Text] During a special Government Council session last night, the executive branch decided to reorganize the Development Corporation Inc., Codesa, to try to solve the serious deficit it is facing.

According to Information Minister Armando Varga's remarks this morning, Codesa owes 8.6 billion colones to the Central Bank of Costa Rica, and it has to pay 2 million colones in interest daily.

President Monge and the ministers met in his home in Pozos de Santa Ana to discuss Codesa's situation.

A commission will be appointed headed by Vice President Armando Arauz to suggest the necessary measures to reorganize this state enterprise. The other members of the commission are Planning Minister Juan Manuel Villasuso, Codesa President Luis Garita, and former Planning Minister Claudio Antonio Volio.

Information Minister Vargas said that no deadline has been set for the commission to complete its work. He said that past and future suggestions will be accepted to obtain the desired objective.

When asked about the possibility of selling some of Codesa's enterprises, Vargas said that this is possible, except for those considered of strategic value. He said, for example, that in the case of Cementos del Pacifico only 40 percent of the shares will be sold so that the state still maintains control. In the case of the Tempisque Sugar Central, Catsa, Vargas said that the idea is to make it into a cooperative. According to the emergency law, some of Codesa's enterprises can be sold for their total value, Vargas said.

BRIEFS

NEW CODESA PRESIDENT -- The Costa Rican Government Council has approved the appointment of Luis Garita Bonilla as president of the Codesa to replace Juan Bonilla Ayub, who resigned because of an Attorney General's Office investigation into his alleged involvement in an embezzlement case. Garita Bonilla assumed office yesterday. [Summary] [San Jose LA NACION in Spanish 24 Jan 85 p 5 PA]

EL SALVADOR

MSGR RIVERA Y DAMAS REPORTS ON TALKS WITH POPE

PA071621 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 6 Feb 85

[Statement made by Msgr Arturo Rivera y Damas, archbishop of San Salvador, in San Salvador on 6 February -- recorded]

[Excerpts] I returned yesterday from Caracas after an 8-day visit, which coincided with the visit of Pope John Paul II to Venezuela. The pope arrived in Maracaibo at approximately 1730 on Sunday, 27 January. I had the good fortune to be invited to say mass with Pope John Paul II, which I had not been able to do in El Salvador because I was ill when the pope visited our country. The pope greeted everyone, but he surprised me when he also mentioned El Salvador and Nicaragua. He greeted us, the pastors of these countries, and prayed that our efforts for peace are successful. Once more, we realized how close he is to our problems.

After the mass was over, I received another surprise when he sent Msgr Eduardo Martinez to fetch me. I had still another surprise coming when I was seated to the left of the pope. He asked about the dialogue in El Salvador. I told him everything about the meetings in La Palma and Ayagualo. I told him that a joint commission was appointed in La Palma. I also told him that although some say that the Ayagualo meeting was a failure, I think it was positive. No one can meet for 12 hours without achieving some positive results. I told him that at the moment there is a recess. He showed great interest in everything I told him and he really understood the situation. He said that talks usually encounter obstacles, but that we must not give up. He urged us, the Salvadoran church and myself, to keep working and promoting the dialogue.

At all times, the pope insisted that conflicts must be resolved in a peaceful manner. He said that if conflicts are not resolved peacefully, they will expand and escalate. He noted that there are already too many sources of unrest in the world to allow more sources to develop and expand because they will only cause destruction, death, pain, and mourning in many homes.

We witnessed how the pope's mediation contributed to the peaceful solution to the Argentine-Chilean border problem.

We see in the pope not only the theoretician, but also the practical man, who is convinced of the positive results of dialogue. He tries to encourage this wherever people are fighting and in conflict. For this reason, the pope's attention is focused on Central America and he has offered more than mere words to the effort to find a peaceful solution to the Central American problem.

SUPREME COURT NULLIFIES EXECUTIVE ELECTORAL LAW

PA072044 San Salvador Radio Cadena YSU in Spanish 1800 GMT 7 Feb 85

[Text] This morning, the Salvadoran Supreme Court of Justice, through its Constitutional Court, declared null and void the electoral law published by the executive branch on 18 December 1984.

We are now at the chambers of the president of the Supreme Court, where the head of this government branch, who is also the president of the Constitutional Court, is holding a press conference to disclose the decision made by the Constitutional Court, with regard to the challenges to the constitutionality of the electoral law published by the executive branch and to the electoral law published by the presidency of the Legislative Assembly. In sum, the Constitutional Court nullified the electoral law published by the president of the Republic on 18 December, and declared valid the electoral law published by the presidency of the Legislative Assembly on 4 January.

Right now Supreme Court President Francisco Jose Guerrero is holding a press conference to explain which elements and factors were taken into consideration, based on constitutional procedures, in issuing this decision whereby, as we said, the court nullified the electoral law published by the executive branch on 18 December. The legal proceedings began on 12 January when Rene Fuentes Castellanos introduced at the Supreme Court an appeal questioning the constitutionality of the law published by the executive branch. A few days later, on 15 January, Deputy Antonio Guevara Lacayo introduced another appeal regarding the constitutionality of the law published by the presidency of the Legislative Assembly. This morning, the Supreme Court announced its ruling, which nullifies the electoral law published on 18 December 1984 by the executive branch and declares valid the electoral law published on 4 January by the presidency of the Legislative Assembly.

COPREFA ON SECOND PHASE OF 'TOROLA V,' PLANS

PA072302 San Salvador LA PRENSA GRAFICA in Spanish 7 Feb 85 p 62

[Text] The beginning of the second phase of the "Torola V" operation, the acquisition of new aircraft, and the start of the training of recruits at the training center in La Union's military base are some of the relevant announcements made yesterday by the Armed Forces Press Committee, Coprefa.

It is believed that approximately 4,000 soldiers of the La Union, San Miguel, and Gotera garrisons are participating in the new phase of the "Torola V" operation, supported by planes and helicopters of the Salvadoran Air Force.

The military aid plans for La Union's military base include a target practice center, expansion of facilities, construction of airstrips for various types of aircraft, expansion of training and communications centers, and so on.

It was also reported that the services offered through the "Military Civic Action Program" throughout the country, particularly in sectors that are most affected by war, will be improved this year.

It was also noted that the "Merry Christmas Program" was carried out successfully in the Departments of Chalatenango, San Miguel, La Union, Morazan, Usulutan, La Paz, Cabanas, and Cuscatlan.

Coprefa spokesmen announced that the Air Force has acquired new C-47 planes and helicopters, which will improve the Army's defensive and combative capabilities, as was reported in yesterday's edition.

ARMY, GUERRILLAS CLASH NEAR EL PAISNAL

PA072230 San Salvador LA PRENSA GRAFICA in Spanish 5 Feb 85 pp 2, 26

[Text] Yesterday, approximately 200 FMLN-FDR subversives who were harassing El Paisnal residents for 1 hour were forced to flee.

The military and the area's civil defense units, backed by helicopters conducting search missions, carried out this operation.

The 1-and-1/2-hour clash on the outskirts of El Paisnal left an undetermined number of guerrillas dead, according to preliminary reports.

Two Army soldiers were wounded, one of them seriously. They were taken to the military hospital and are recovering from their wounds.

According to local authorities, the FMLN-FDR terrorist groups conduct raids almost every day on the outskirts of El Paisnal to force the residents to provide them with food, clothing, money, jewelry, cigarettes and all kinds of sweets.

The FMLN-FDR subversives are in different northern and northwestern sectors around the town of El Paisnal and are constantly being pursued by military units.

Civil defense volunteers from El Paisnal and nearby towns are on the alert against the constant incursions by the FMLN-FDR terrorist groups.

In addition, this city's 1st Infantry Brigade, which controls Guazapa, Aguilares, El Paisnal, El Guayabal, Apopa, Nejapa, Quezaltepeque, and other sectors, acts immediately whenever FMLN-FDR extremist groups cause an emergency situation in order to maintain tranquillity and order in each of the towns and rural areas under their jurisdiction.

BRIEFS

FMLN-FDR DELEGATION VISITS CSSR -- A FMLN-FDR delegation of El Salvador led by Norma Guevara, member of the Central Committee of the Communist Party of El Salvador, arrived in Prague yesterday at the invitation of the Central Committee of the CSSR National Front. On the same day the guests from El Salvador were received by Antonin Stejskal, deputy chairman of the Czechoslovak Peace Committee and chairman of the Czech Peace Council. [Text] [Prague RUDE PRAVO in Czech 25 Jan 85 p 2 AU]

GUATEMALA

FURTHER ON UPCOMING MEETING WITH UK ON BELIZE

PA080028 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 7 Feb 85

[Text] The Guatemalan Government will negotiate the dispute over Belize with UK representatives this month in New York, but our delegates have nothing to discuss with the Belizean envoys who will eventually attend the meeting, Acting Foreign Minister Mario Marroquin Najera emphasized today.

[Begin recording] This is a new round of informal, exploratory talks with UK representatives; the United Kingdom is the country with which we have had a dispute regarding Belize. The arrangements for this new round of talks were made through the honorable Embassy of Switzerland in Guatemala which is in charge of UK interests in our country.

Therefore, I reiterate that we will hold talks with UK representatives. I can even tell you that we have exchanged information regarding the delegations. The UK delegation will be composed of Foreign Office officials, specifically Messrs David Boyd and David Ackerton. As we have reported, Belizean representatives will also attend the talks, but they will only attend as observers. This does not mean that they will merely act as listeners; they will actively participate and state their viewpoints. However, they will do so only as observers. [end recording]

AMNESTY INTERNATIONAL DELEGATION TO VISIT

PA080021 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 7 Feb 85

[Text] An Amnesty International delegation will visit Guatemala, official sources reported today. Oscar Mejia Victores' government recently issued an invitation to Amnesty International to visit our country to review the human rights situation. According to the sources, the delegation will be led by (Vance Baker), president of the Netherlands section, but the date for its arrival in Guatemala City has not been set. Nevertheless, it was revealed that the government has proposed the second half of April 1985.

PANAMA SETS DEADLINE TO SOLVE EXPORT PROBLEMS

PA062321 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 5 Feb 85

[Text] The Guatemalan economy minister reported today that Panama has set a 30-day deadline for Guatemala to solve the parallel market situation regarding exports to that country. If the 30-day deadline expires before the Guatemalan monetary board finds the formula Panama requires, the Panamanian Government will break the bilateral free trade agreement and unilaterally handle trade between the two countries. According to the (?temporary) agreement signed by the Panamanian planning and economy minister and the Guatemalan economy minister, which set the 30-day deadline for Guatemala to resolve the parallel market differences, the Panamanian Government may impose a 50-percent tax on Guatemala's exports and regulate export quotas.

Guatemalan Economy Minister Leonel Hernandez Cardona said today that everything depends on the monetary board's solution to the problem because the Economy Ministry cannot find a formula.

FAR REPORTS GUERRILLA ACTIONS IN JANUARY

PA070048 Guatemala City PRENSA LIBRE in Spanish 6 Feb 85 p 26

[Text] The Rebel Armed Forces, FAR, have sent a telex to this newspaper reporting several recent actions. The actions included the occupation of three farms, a stretch of road in northern El Peten Department, a stretch of road east of Ciudad Flores, and the road to Melchor de Mencos, which borders Belize near Macanche. According to the FAR, during these actions guerrillas held propaganda meetings and explained the government platform of the Guatemalan National Revolutionary Unity, URNG. In addition to the FAR, the URNG is made up of the Poor People's Army, the Revolutionary Organization of the People in Arms, and the Guatemalan Labor Party. These groups carried out 20 actions in January, including ambushes, harassments, and occupations of towns and stretches of road.

HONDURAS

LABOR LEADER SAYS NO TRADE UNION FREEDOM EXISTS

PA070338 Tegucigalpa LA TRIBUNA in Spanish 6 Feb 85 p 31

[Text] Tegucigalpa -- At the Presidential Palace yesterday, Andres Victor Ardiles, secretary of the Confederation of Honduran Workers, CTH, charged that there is no trade union freedom in Honduras. Ardiles participated in the meeting held at the Presidential Palace by an international delegation of the International Confederation of Free Trade Union, ICFTU, and Honduran President Roberto Suazo Cordova.

Ardiles said: "We have told these world leaders of free trade unions that full trade union freedom does not exist in Honduras because employers and the government are determined to limit the workers' action when they want to organize into trade unions." He added that only 15 percent of the country's 1.2 million workers are union members, "while the rest are exploited by employers and are not free to join unions." He asserted that as long as human rights are not respected and the rights of the majority are violated, "there will be no social peace in Honduras." Ardiles accused the government of not applying the labor code when workers would benefit. He also accused employers of maneuvering in a variety of ways to prevent the formation of unions in their enterprises.

NICARAGUA

RAMIREZ MEETS HOWE, HOLDS PRESS CONFERENCE IN UK

PA070023 Managua Radio Sandino in Spanish 1830 GMT 6 Feb 85

[Text] London -- Nicaraguan Vice President Sergio Ramirez Mercado said today that the European allies of the United States should convince that country that its warmongering policy toward Central America is not correct and is very dangerous. At a press conference in London, Ramirez said that during this tour of Western European countries he would like to express the Nicaraguan Government's peaceful stance regarding the Central American conflicts. Early this mornign the Sandinist leader met with Sir Geoffrey Howe, British secretary of state for foreign and commonwealth affairs. The leader, who met with local and foreign correspondents in (Tully) Hall in downtown London, stressed that his country supports the Contadora Group agreements and is not willing to reopen talks regarding the basis of these agreements.

Asks UK To 'Persuade' U.S.

PA071248 Managua Radio Sandino Network in Spanish 0000 GMT 7 Feb 85

[Text] London -- Nicaragua is determined to resume the Manzanillo talks with the United States to find a negotiated solution to the Central American crisis because it understands that dialogue is the only possible solution. This was stated by Nicaraguan Vice President Sergio Ramirez Mercado at a press conference held in London after he met with British Foreign Secretary Sir Geoffrey Howe.

Ramirez Mercado said that after explaining the Nicaraguan viewpoints to Howe, he asked the British Government to persuade the United States to resume the Manzanillo talks.

He said: We think that now, more than ever, a negotiated solution is the only possible alternative for Central America. He stressed that the objective of his European tour is to obtain help from Western Europe in finding a negotiated solution to the conflict threatening the region.

D'ESCOTO URGES COSTA RICA TO ARREST ARDE LEADERS

PA080337 Paris AFP in Spanish 0246 GMT 8 Feb 85

[Text] Managua, 7 Feb (AFP) -- Nicaragua today asked the Costa Rican Government to "capture, disarm, and expel" from the country the main leaders of the anti-Sandinist Revolutionary Democratic Alliance, ARDE, which is led by Eden Pastora. A letter signed by Foreign Minister Miguel D'Escoto also indicated the location of ARDE's "operations centers" and residences of its leaders in the capital and northern border areas of Costa Rica.

During the past 3 years, the Sandinists have insisted that approximately 2,000 ARDE members have installed their main camps in Costa Rica, from where they plan their operations against the government in Managua.

D'Escoto added that ARDE and other organizations are "flagrantly violating the commitments made by the Costa Rican Government regarding the right to asylum and other obligations, as stated in its internal law." In addition, he welcomed President Luis Alberto Monge government's decision not to allow ARDE to collect funds in Costa Rica to provide aid for its fighters.

"The Nicaraguan Government considers that Costa Rica's attitude is positive, especially if it represents the beginning of a series of measures that will be taken to abide by international law and fully enforce its neutrality during the illegal war being waged by the United States against our people," the note states.

The foreign minister also gave the Costa Rican authorities the exact location of the main ARDE leaders' residences in San Jose and three military camps in a northern Costa Rican region. D'Escoto's note recommends the "arrest, disarming, and expulsion" from Costa Rica of ARDE leaders Roberto "Tito" Chamorro, Omar Opez Guevara, Mario Aviles Saenz, Aviles Saenz, Jose Davila Membreno, Adolfo "Popo" Chamorro, and Carol Prado.

According to the information, an ARDE camp is located in Finca Las Trancas, Guanacaste, northwestern Costa Rica, at a farm owned by Nicaraguan citizen Manuel Jiron. Another guerrilla base is reportedly located in the Cardenas sector, next to the border post of Penas Blancas, at Hacienda la Florida, owned by Nicaraguan citizen Hilma Pastora.

The letter adds that the measures adopted by Costa Rica against these rebel groups "will be evidence of a responsible and mature attitude that will strengthen the possibility of a dialogue and negotiation to solve conflicts in the area."

The letter coincides with a statement issued in Managua on Thursday by an ARDE deserter, who occupied high posts in the organization, and then sought the amnesty offered in January by President Daniel Ortega.

EMBASSY IN U.S. ISSUES COMMUNIQUE ON REAGAN REMARKS

PA071419 Managua Radio Sandino Network in Spanish 1200 GMT 6 Feb 85

[Text] Washington (ANN) -- Last night the Nicaraguan Embassy in Washington issued a communique refuting President Reagan's image of Nicaragua, as described to the U.S. public in his State of the Union address. President Reagan's address does not correspond to the real image of Nicaragua, the communique noted and added that actually, that Central American nation is being affected by terrorism and the criminal actions of the counterrevolutionaries, who have already murdered thousands of innocent civilians.

Due to the aggression, the Nicaraguan Government had no apprehension about distributing thousands of weapons among the people to allow them to legitimately defend themselves against the aggression being promoted by the United States.

The Nicaraguan Embassy directly accused the United States of being responsible for the tense relations between the two nations due to the continued aggression against the Nicaraguan people and the violation of the basic norms of international law.

The embassy communique reminds the Americans that the beasts who Reagan describes as freedom fighters are actually remnants of the Somozist guard, who have murdered over 7,000 Nicaraguans.

WAGE LAW DEBATED, ADOPTED BY NATIONAL ASSEMBLY

Labor Minister Explains Measures

PA071912 Managua BARRICADA in Spanish 6 Feb 85 p 4

[Excerpt] The wage scale law was discussed yesterday by the National Assembly plenum, at the first of its 1985 sessions, during which it will carry out a revolt against speculation and spiraling inflation and will defend the workers' buying power.

The law, which was sent to the Assembly by President Daniel Ortega, required a broad and detailed explanation by Labor Minister Benedicto Meneses, who described wages in keeping with production capacity as an essential element of the law.

"This law meets the goal the working class has sought for decades: equal pay for equal work," Meneses said, describing the measure as the result of a long process of wage regulation initiated by the revolution.

Meneses said that the popular triumph allowed the creation of a wage policy that would end the old preferential wages for some social sectors and meager incomes for laborers. The first measure to be imposed was the minimum wage, which will be followed by the implementation of a process to equalize wages.

This measure, which was the model for the law discussed today, was followed by a restructuring of jobs and salaries, based upon increased productivity, the minister pointed out. The SNOTS [expansion unknown] was first put into effect in February 1984 with worker participation, and it resulted in 167 wage agreements signed with 651 addendums, which involved 3,672 jobs classified into 28 groups based on their complexity, he said.

Meneses explained that based upon the lengthy and tedious work done last year, the new tariffs have been established without losing sight of the country's economic liabilities and the difficult situation created by foreign aggression and the international economic crisis.

Step by step, article by article, the minister explained the scope of the law to the legislators. Article 2 of the law establishes wage increases for each group, fixing the current minimum wage at anywhere between 1700 and 2,500 cordobas, which represents a 47-percent increase. Group 2 will receive a 52-percent increase, and groups 7, 8 and 9, which includes the most highly qualified workers, will get 60-percent increases, according to a scale designed to pay workers according to their abilities. "The workers with the highest qualifications will be paid more, and this will also improve the country's productivity," Meneses said.

The law states that these adjustments will be made on a priority basis (going into effect this month) for industry, manufacturing, construction, agro-industry, mines, quarries, energy, water, transportation, health, fishing industry, and sugar sector workers.

After this (as of March) the law will include the communications, education, services, central state administration, and financial sectors and workers in autonomous and decentralized institutions, according to the bill presented at the Assembly.

Benedicto Meneses explained that the law does not include domestic workers because this type of work is not considered a collective economic activity, but rather involves personal relations with the employer. Also excluded are agricultural workers, the minister said, although he said that this year, at the beginning of the agricultural cycle, the Labor Ministry will establish new wage regulations for the 1985-86 period in this sector.

Meneses insisted that these measures should be understood within the framework of the current economic situation. "We must not think that we can solve all of the problems immediately and in an equalitarian manner, but we can begin equalizing wages according to need," he said, warning that "it is better to act cautiously than to further damage the economy."

At the Assembly, the minister stressed the importance of the law because it represents Nicaraguan advancement in the latest worldwide wage equalizing techniques aimed at finding new ways to achieve worker participation and the application of fairer wages that will stimulate worker motivation.

Nunez Remarks

PA080005 Managua Radio Sandino Network in Spanish 1200 GMT 7 Feb 85

[Excerpt] Speaking before the National Assembly plenum last night, Commander of the Revolution Carlos Nunez Tellez, president of this second state power, said that with the approval of the wage scale the country's workers will not enter paradise, adding that the people must be told the truth about the country's economic situation.

[Begin recording] The electoral campaign itself expressed five problems that trouble the people: first, the grief of families, no matter how revolutionary, when their loved ones go to the war fronts; second, the [words indistinct] problem; third, the housing problem; fourth, the health problem; and fifth, without saying that this is the necessary order of importance, living conditions, especially those of the revolution's fundamental forces. If this campaign left a positive lesson, it is that it once again returned us to our original organization practices, which led the process to topple the dictatorship and speak to the masses establishing ways for them to state their problems, demands, doubts, and resentments.

We must be realistic in 1985. We do not want to deceive the workers; we must persuade the indifferent and the stubborn that although we will try to rearrange a series of policies this year to strengthen the productive sectors, the workers will not enter paradise because this country's economic possibilities will not allow it. Furthermore, we are waging a war that already surpasses the total volume of millions of dollars which our export products are worth. The war is going to worsen because the imperialists want to achieve greater successes in 1985. Therefore, we must at least offer our people our basic products and tell them that this is all. Moreover, we must try to channel to our people, through ways other than the speculators, the means and tools necessary to strengthen their productive tasks and tell them this is all we have.

We must also abandon social programs that are not related to defense and face new sacrifices. On this basis, we will maintain the authority, respect, and leadership of a government before its people by telling them the truth. We must also struggle against bureaucratic tendencies, vice, inertia, and a series of things pointed out by many newspapers, the Socialist Party, the Communist Party, the Marxist-Leninist People's Action Movement, LA PRENSA, and so on. I think that under these circumstances we must inform the masses about the situation so that they can defend their own power. That is why we are here discussing this issue, this realistic law which, viewed objectively, does not solve the basic problem but makes a small move forward.

This morning we spoke about prices. Some politicians, both conservative and liberal, in their gestures, words, movements, and eyes, tried to look shocked -- which constitutes demagogy -- by the price increases. Which prices prevail in Nicaragua? The ones imposed by speculators. What we are trying to do is establish fair prices, struggle against speculators, open new channels, and get all of these products to their destinies at the fair prices, but through other channels so that the speculators cannot monopolize and price them as they wish. The people have been paying the prices established by the speculators despite all of the subsidies.

We have discussed economic policies with each representative for 25 to 30 minutes and listened to their views. In this case, I think we should act according to all that has been said thus far. We should approve each of the articles with pragmatic and realistic views, and with an understanding attitude because this is not a total measure and to the extent that all of the measures are developed we will also have to analyze and observe the workers' standard of living and, more concretely, their income levels. In 1985 we must defend these levels and restructure them at the proper time. [end recording]

Deputies Stage Walk-Out

PA072215 Managua Radio Noticias in Spanish 1200 GMT 7 Feb 85

[Excerpts] The new wage law was approved at 0330, at dawn. Only the Sandinist deputies and those of the Marxist-Leninist People's Action Party, MAP, stayed until the end of the session.

The Independent Liberals, the Popular Social Christians, the Conservatives, the Socialists, and the Communists left after being repeatedly insulted. Virgilio Godoy was accused of being involved with the CIA. Sandinist leaders said they would have to get used to attitudes such as those assumed by the political parties who left the Assembly. The session became stromy when the Sandinist deputies Daniel Nunez and Herty Lewites verbally attacked the deputies of the other parties. The president of the Independent Liberal Party, Dr Virgilio Godoy, was the target of Lewites' attacks. I have come to attend an Assembly session, not a cockfight, Godoy said, upon leaving the premises.

Reporter Antonio Luna made the following recorded account of the legislative session yesterday.

[Begin recording] The second regular session of the National Assembly was a long one, starting at 1000 on 6 February and adjourning at 0330 this morning, 7 February. The debate, involving representatives of parties opposed to the FSLN, dealt with the law regulating salary relations between management and workers, and what was called the wage scale law. We will try to give a chronological account of yesterday's events at the National Legislative Assembly, where there was an incident that practically left the Sandinist bloc all alone with the exception of two MAP representatives, who stayed until dawn to uphold their opposition to the FSLN.

At the beginning of the session, FSLN Representative Federico Lopez made a full explanation of why the FSLN, and particularly President Daniel Ortega, wants to submit a law on wage increases. Lopez said, among other things, that through the law, the president of the Republic intended to raise somewhat the workers' standard of living in the face of the growing inflation; that the law actually did not fulfill the aspirations of the workers, but at least would help them alleviate the effects of the inflation, partly caused by the aggression, the international economic crisis, and the problems affecting Nicaragua through speculation and other well-known dealings.

Lopez' position was particularly challenged by Communist Party members Allan Zambrana and Angel Hernandez, who claimed that the law should not be brought up for immediate approval, as proposed by the FSLN in yesterday's and today's session, but that it should be carefully analyzed in an effort to establish a more just wage level. The representatives of the Independent Liberal Party agreed with that position, particularly Dr Virgilio Godoy, who strongly criticized inflation.

Referring to the minimum wage level, the MAP representatives warned that to pass from a minimum wage of 1,700 cordobas to 2,500 was ridiculous; and that the minimum wage should be fixed at 4,500 cordobas. The group also proposed, together with other parties, that a group of labor leaders should discuss the draft bill so the working masses would learn about it and express their views on it. Socialist Deputy Domingo Sanchez said that the draft bill should be presented to all labor sectors, including those of the Democratic Coordinating Board, such as the Confederation for Trade Union Unity and the others.

At approximately 1730 yesterday, Arturo Luque harshly criticized the groups who maintained that the law should be subjected to a broader discussion by the working sectors. Daniel Nunez also spoke very harshly about the group opposed to the FSLN. This prompted Dr Virgilio Godoy and his group to leave the session. On his way out, Dr Godoy said he had come to attend an Assembly session, not a cockfight. Zambrana, of the Communist Party, also left the session in view of the insulting words spoken by Nunez and Lewites. The Conservatives and Popular Social Christians also left. Only the MAP members remained until the end of the session. [end recording]

Assembly Adopts Law

PA071924 Managua Radio Sandino Network in Spanish 1200 GMT 7 Feb 85

[Text] Making a great effort during its first session, the National Assembly, at 0145 [as heard] this morning, approved the wage scale law sent to this organization by President Daniel Oretega Saavedra. The law establishes a wage scale that regulates labor-management relations and eliminates the existing disorder in the different economic sectors' wage scales. It is based upon the principle of equal pay for equal work.

The prolonged debates established that as of this month the new salaries will be implemented, first for workers in the manufacturing industries, construction, agro-industry, minos, quarries, energy, water, transportation, health centers, hospitals, and other similar institutions, fishing industries, and sugar sector.

The plenum approved implementation of the new salaries as of 1 March for workers in the following sectors: communications, media, central state administration, financial system, autonomous and decentralized institutions, education, services, trade, restaurants, hotels, and others.

CORDOVA RIVAS CONDEMNS REQUEST TO INVOKE TIAR

PA060158 Managua Radio Sandino Network in Spanish 1200 GMT 5 Feb 85

[Text] Dr Rafael Cordova Rivas, Conservative deputy at the National Assembly, described as immoral the request made by some Latin American businessmen to the governments of America to apply the Inter-American Reciprocal Assistance Treaty, TIAR, in Nicaragua. The businessmen who recently met in our country to ask for the invocation of TIAR in Nicaragua are representatives of exploitation in Latin America, and they are only defending their own interests, Cordova Rivas pointed out:

[Begin recording] [Cordova Rivas] The problem is that this association of Latin American industrialists is made up of the most reactionary people on the continent, who are 100 years behind in Latin American and world politics. To defend their personal and private interests, they make this immoral request to apply the TIAR. This is not the case of a foreign power occupying an American country. TIAR was intended for the defense of the American continent in case any fascist or dictatorial power tried to intervene in America. We are not being attacked by any extracontinental power. The only aggressive force here in America is the United States, which has been attacking Nicaragua through a dirty war such as that waged by the contras, directed by the CIA; such as the public immoral attitude of the President of the United States, who is campaigning to get the help and vote of the U.S. Congress to authorize $14 million for genocide.

[Reporter] The businessmen's meeting was attended by the well-known Nicaraguan businessman Enrique Bolanos. What is your opinion of his participation in a meeting to call for the intervention of a military organization?

[Cordova Rivas] First, he was not well-known up to now. Enrique Bolanos was never known as an opponent of the Somozist regime or as an active politician. He has become a so-called leader of those people in view of the lack of any real leader in the reactionary ranks. It is like Robelo, who appeared at the last minute in the fight against the bloody Somozist dictatorship. I suppost Bolanos may have abstained from voting for such nonsense, because to vote for it would constitute an act of high treason. [end recording]

PASTORA'S TERMS FOR JOINING FRONT EXPLAINED

PA072154 Hamburg DPA in Spanish 1239 GMT 7 Feb 85

[Text] Miami, 6 Feb (DPA) -- Nicaraguan rebel leader Eden Pastora indicated that he would join a front against the Managua government if the rival rebels return the planes he claims were stolen from him and an investigation is made into the charges that the Nicaraguan Democratic Force [FDN] rebels operated as "death squads" in Honduras.

Pastora, known as "Commander Cero" when he was fighting the Somozist dictatorship, made the statements today after leaders of the majority rebel groups announced that political and rebel leaders have tentatively agreed on creating a "broad democratic front."

Adolfo Calero, chief of FDN, told THE MIAMI HERALD that the "front" plans to present "a final offer" for peace talks to the Managua regime.

Pastora said that he would join the front if the FDN returns the planes and helicopters he claims were stolen from his troops. Other leaders of the rebel group headed by Pastora pointed out that he is referring to the Cessna planes and Hughes 500 helicopters which were supplied by the CIA.

Pastora also demanded an investigation into the charges made by Honduran military authorities accusing FDN rebels of operating as "death squads" in Honduras, killing Honduran, Salvadoran, and Nicaraguan civilians.

"The other anti-Sandinist groups must change their attitude and treat us with respect," stated Pastora.

Pastora said that other Democratic Revolutionary Alliance [ARDE] leaders are now meeting with Cruz, Calero, Robelo,and other opposition leaders in San Jose, Costa Rica to discuss the return of the planes and helicopters.

Calero told the Miami paper that he will sign an alliance later this month with Alfonso Robelo, a rival leader of Pastora's ARDE, the other guerrilla group known as the Misktos, Sumus, and Ramas, and Arturo Cruz. Cruz, former Sandinist ambassador and member of the government junta, is the most prominent political leader in the Nicaraguan opposition.

According to U.S. congressional sources, the Reagan administration is considering openly supporting a political-military alliance if an opposition alliance is finally agreed.

ARDE REPORTS CRASH; COSTA RICAN EMBASSY INCIDENT

PA080408 Paris AFP in Spanish 0232 GMT 8 Feb 85

[Text] San Jose, 7 Feb (AFP) -- A spokesman for the anti-Sandinist Democratic Revolutionary Alliance, ARDE, led by Eden Pastora, announced in San Jose that an ARDE helicopter crashed into the San Juan River along the border, in which one person was killed and other injured.

ARDE spokesman Orion Pastora described the crash of "our only helicopter" as an "accident due to a mechanical malfunction." The crash occurred Tuesday.

The dead crewman was the helicopter's pilot, who is named Castillo, while the injured man is Jarquin, "Commander Sam." Jarquin managed to get out of the helicopter despite serious injuries. He was taken to the Ciudad Quesada Hospital, 100 km north of San Jose in Costa Rica. According to the spokesman, the craft had taken off from Punta Llorona near the San Juan River 25 minutes before it crashed suddenly. The spokesman dismissed the idea that the crash occurred during a clash with Sandinist forces.

Meanwhile, the Costa Rican Foreign Ministry today reported an incident at the Costa Rican Embassy in Managua concerning Manuel Matus, a Nicaraguan citizen, who attempted to inquire about his visa. He had difficulties with the Sandinist authorities of the embassy protection unit [unidad de proteccion de embajadas], UPE. According to a report prepared by Costa Rican Ambassador Jesus Fernandez, the police tried to intercept Matus who ran and entered the embassy. The UPE, however, sent the Costa Rican diplomatic mission a note indicating that the incident was a mistake and that no measure would be taken against Matus who, accompanied by a woman, had already left the embassy premises on his own volition. In order to avoid new incidents at the Managua embassy, the Costa Rican Foreign Ministry yesterday asked President Monge to create a security chief post in that city and asked the Security Council to appoint three officials to assist him.

ARDE REITERATES POSITION IN FAVOR OF PEACE

PA070423 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2230 GMT 6 Feb 85

[Communique issued by the Democratic Revolutionary Alliance, ARDE; date and place not given]

[Text] In view of the eventual peace agreement for Central America to be discussed on 14 and 15 February, ARDE addresses the Nicaraguan people, the countries that form the Contadora Group, and all of the forces involved in our region's conflict to reiterate our position in favor of peace and our definite opinions on this subject:

1. Since ARDE's foundation on 23 September 1982, we have toured the world asking for a dialogue with the Managua regime and the return to the original principles of the Nicaraguan revolution.

2. On 16 December 1982, ARDE presented a peace proposal that included important elements to resolve problems affecting Nicaragua and the Central American region. There was no response to this proposal.

3. In January 1983, ARDE asked Managua to hold free elections in June 1983 in an attempt to save the revolution and establish peace in our homeland.

4. In March 1983, ARDE sent a peace commitment to governments and political organizations aimed at restoring the original revolution through an honest dialogue that would resolve the conflict.

5. When Managua did not reply positively, in May 1983 ARDE began its military activities as the only feasible alternative to achieve peace in Nicaragua.

6. Since then, and despite our armed struggle, we have always reaffirmed our willingness to find a worthy solution to the Nicaraguan conflict based on honest dialogues.

7. In February 1983 in view of the FSLN's call for elections, ARDE proposed six conditions so that the elections would be free and in this way weapons could be laid down to establish the basis for pacification.

8. As of that moment, ARDE supported all negotiations between the civic opposition, the Ramiro Sacasa Guerrero Democratic Coordinating Board, and the FSLN aimed at searching for free conditions for truly democratic elections.

9. In July of 1984, Commander Eden Pastora Gomez, together with Arturo Cruz and Alfredo Cesar, announced in Washington a great initiative for free elections with democratic international support as the peaceful solution to the Nicaraguan conflict.

10. When the FSLN refused to accept a national dialogue to include the armed groups, ARDE remained silent and waited for the Coordinating Board to achieve the conditions for a free election.

11. ARDE has always expressed its support for Contadora and the calls for dialogue made by the Nicaraguan Catholic Church and has asked the Socialist International to promote a dialogue for a peaceful solution more than once.

12. On 23 September 1984, we asked Managua to guarantee free elections. If they did not do so, we said that we would increase our military activities as of 31 October 1984.

13. ARDE's hopes for a peaceful solution were raised on 1 October 1984 when representatives of the FSLN and the Coordinating Board met in Rio de Janeiro, Brazil, to discuss the basis for a free and democratic electoral process.

14. In view of the FSLN's uncompromising attitude toward holding truly free elections, on 31 October 1984 ARDE announced that it would continue to fight until the original plan of the Nicaraguan revolution is rescued, despite the shortage of funds we continue to experience.

In conclusion, ARDE reaffirms:

1. There will be no peace in Central America as long as there is no peace in Nicaragua.

2. There will be no peace in Nicaragua or Central America as long as there is an expansionist Marxist-Leninist regime in Managua that serves Soviet imperialism.

3. Peace in Central America is the sum of the domestic peace in each nation in the region. The main problem is not peace among states or nations but each country's domestic peace which can only be achieved on the basis of freedom and democracy.

4. There will not be domestic peace in Nicaragua while freedom, democracy, and respect for human rights are denied our people by the Marxist-Leninist FSLN regime.

Without totalitarianism or a return to the Somozist past!

[Signed] ARDE Directorate

Commander Eden Pastora Gomez, general commander of the ARDE Armed Forces

Jose Davila Membreno, political coordinator

Donald Castillo Orozco, organization and formation coordinator

REAGAN'S STATE OF UNION MESSAGE REPORTED

FL071600 Havana Television Service in Spanish 1204 GMT 7 Feb 85

[Text] Washington -- Last night, President Ronald Reagan promised a future of great dreams for the United States and gave himself the role as leader of a second American revolution. He said that the time had come to march forward a new large undertaking, a second American revolution of hope and opportunity. Using his customary rhetoric to its fullest, Ronald Reagan took pride in having injected vigor and youth into the country, in spite of the fact that yesterday he became the oldest U.S. president in history upon his 74th birthday. We did what we promised and a great industrial giant has been reborn, he said, alluding to the so-called U.S. economic recovery which many experts believe is ambiguous and might be mortgaging the future. He also invoked the renewal of the extreme right wing's moral values, faith in God, charity, family unity, and extreme nationalism. Under the vision of great projects, President Reagan wholeheartedly defended the high 1986 military budget the administration has asked for in order, he said, to guarantee a safer, freer, and more peaceful world.

CASTRO ELECTED DELEGATE TO JOURNALISTS CONFERENCE

FL071942 Havana Domestic Service in Spanish 1900 GMT 7 Feb 85

[Text] The members of the State Committee for Economic Cooperation, CECE, spoke in favor of critical, militant, and creative journalism, during the debate on and approval of topics for the fifth congress of the Union of Cuban Journalists, UPEC, as part of the organizing process being carried throughout Cuba. The assembly unanimously agreed to elect Commander in Chief Fidel Castro and Dr Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, as delegates to this historical fifth congress. The assembly also made public the pledges to improve the quality of creative work of each of the members of the recently organized delegation.

COSTA RICA'S GUTIERREZ CITED ON ENVOY'S VISIT

PA072058 Havana International Service in Spanish 1600 GMT 7 Feb 85

[Text] Costa Rican Foreign Minister Carlos Jose Gutierrez has confirmed in San Jose that a Cuban Government envoy met with high-ranking Costa Rican officials in an effort to help solve the diplomatic differences between Nicaragua and Costa Rica. Relations between the two Central American countries cooled as a result of an incident caused when a Nicaraguan soldier defected and requested asylum at the Costa Rican Embassy in Managua Managua. He left the embassy several days later and was arrested by Sandinist authorities. After telling the station Radio Monumental that Costa Rica would accept any mediation, the minister emphasized that Cuban President Fidel Castro is interested in finding a political solution to the Central American conflict through the peace negotiations of the Contadora Group.

COSTA RICAN LEGISLATORS ARRIVE FOR 1-WEEK VISIT

FL061432 Havana Domestic Service in Spanish 1100 GMT 6 Feb 85

[Text] Five Costa Rican legislators have arrived in Havana, invited by the Central Committee's America Department and the National Assembly of the People's Government.

During their 1-week stay in Cuba, the Costa Rican members of Costa Rica's Legislative Assembly will visit production centers, historical sites, and recreational facilities and will meet with National Assembly and party leaders.

ARGENTINA TO SHIP 600 TONS OF RAILROAD EQUIPMENT

FL051620 Havana Domestic Service in Spanish 1514 GMT 5 Feb 85

[Text] More than 600 tons of railroad coupling [conjunto ferroviario] manufactured in Argentina will be shipped to Cuba in the next few days. A new accord to supply a shipment of axles and wheels is also being worked on.

The equipment was manufactured by the Argentine firm Forja, located in the northern Province of Cordoba as part of a bilateral agreement to supply railroad parts for Cuban trains.

SOVIET SAILORS TOUR VILLA CLARA PROVINCE ENTERPRISE

FL061624 Havana Television Service in Spanish 1338 GMT 6 Feb 85

[Text] The members of the Soviet naval detachment that has been in Cuba for several days arrived in Santa Clara City where they were met by Tomas Cardenas Garcia, first party secretary of Villa Clara Province. At the Fabrica Aguiar Noriega mechanical production enterprise, the Soviet sailors toured important areas of the plant where sugarcane grinders are produced for the sugar industry.

CTC NATIONAL COMMITTEE MEETING CONCLUDES 5 FEB

FL071422 Havana Television Service in Spanish 1800 GMT 6 Feb 85

[Text] The 50th meeting of the Central Organization of Cuban Trade Union's [CTC] National Committee ended yesterday afternoon after 2 days in session, but its spirit will imbue the labor of all workers in their daily fight for efficiency. The committee is the highest organ of the labor movement between each congress and on this occasion it met to establish the measures which the CTC and the unions will execute in support of the economic strategy outlined by Fidel and to outline a work plan which includes 12 basic tasks. The main areas where we must obtain better results, completing the 1985 plan while saving in allocated resources, and obtaining larger quantities of exports and import substitution were discussed in depth. All these matters were discussed in a critical and optimistic manner, with the certainty that we will overcome all problems. This is a period of economic reorganization, in which each measure will be discussed and consulted with the masses who will make 1985 the year of greatest economic achievements, because we have set those goal for ourselves.

Veiga's Closing Speech

FL061630 Havana Domestic Service in Spanish 1145 GMT 6 Feb 85

[Report on a speech by Roberto Veiga, secretary general of the CTC, at the conclusion of the CTC's National Committee meeting at Lazaro Pena Theater in Havana on 5 February -- passages within quotation marks recorded]

[Text] "To work harder and better in every sense is the answer of our unions to the party and to Fidel in this 50th meeting of the National Committee of the CTC, which may be included in the long, glorious life of the entire trade union movement as a historic meeting."

The 50th meeting of the National Committee of the CTC concluded yesterday with an address by Roberto Veiga. The secretary general of the CTC said the debate conducted at this meeting demonstrated the maturity of our trade union movement. He added that the contributions of the persons attending were characterized by a sense of responsibility and the desire to do much more in the future. Veiga said it was everyone's will to contribute to the solution of the main economic problems affecting the country.

"Tasks such as those approved in this work plan can be proposed only by a union movement that has the strength, capacity, and resolution to carry them out."

The secretary general of the CTC said the tasks approved by the National Committee are clear and we must now carry them out and rise to the level of the historic moment in which our people are living.

"All the deficiencies that affect us can be eliminated, and we will eliminate them. We have the resources, we have the talent to do a lot more than we have done up to now."

Roberto Veiga, alternate member of our party's Politburo, issued a call for the strengthening of labor discipline, explaining: Labor discipline does not mean only that work must begin and end on time but also that, during the entire workday, we must work efficiently and do a job of such quality that no one can complain about it.

"It is not a question of implementing harsh measures, but if anyone takes harsh measures to mean supervising and working with greater responsibility and discipline from now on, it does not matter one bit. We are going to be demanding without becoming extremists. One can be firm but calm. One can be firm and sensible. One can be firm and judicious. One can be firm and tactful. One can be firm and deal with things politically."

In other part of his address, Roberto Veiga said it is necessary to struggle unceasingly to keep unilateral measures from being adopted that awaken disconformity in the workers. And he reminded us that all the workers have the right and the duty to participate in making decisions in all matters that affect them.

"One of our most noble socialist principles is the one that requires that participation of the working man. The Cuban working class has shown that it not only has been called upon to play the role of manager of our society but is capable of doing so."

ORLANDO FUNDORA LOPEZ ELECTED MPSP PRESIDENT

FL071314 Havana Domestic Service in Spanish 1100 GMT 7 Feb 85

[Text] The Secretariat of the Cuban Movement for the Peace and Sovereignty of the Peoples [MPSP] has approved the designation of Orlando Fundora Lopez as MPSP president. The Secretariat acted in consideration of the recommendation made by the 11th extraordinary plenum of the Central Committee.

At the same meeting, the Secretariat decided to release Severo Aguirre del Cristo from his position of MPSP president; the 11th extraordinary plenum has recommended Severo Aguirre's election as vice president of the National Assembly of the People's Government.

GARCIA SPEAKS AT RAILROAD WORKERS DAY CEREMONY

FL041454 Havana Domestic Service in Spanish 1100 GMT 4 Feb 85

[Text] Commander of the Revolution Guillermo Garcia, Politburo member and minister of transportation, spoke at the main ceremony commemorating railroad workers day, held in Placetas, Villa Clara Province. Guillermo Garcia said the fulfillment of the annual and 5-year national economic plans depend on the effort made by the railroad workers, because the efficient work of the railroads has immediate repercussions in all sectors of the economy. As part of the activities programmed to celebrate railroad workers day, the Tony Santiago rail-welding plant was inaugurated. This plant is especially important to the modernization of the rail system and is the largest of its kind in Latin America. The plant is valued at 17 million pesos and was built with the valuable assistance of the USSR.

BASIC INDUSTRY MINISTRY REPORTS PRODUCTION GAINS

FL012050 Havana Domestic Service in Spanish 1800 GMT 1 Feb 85

[Text] The Ministry of Basic Industry's production of goods has increased 7 percent compared to last year, and it has set 32 new production records. This report was made at the ministry's annual meeting which was presided over by Politburo member Pedro Miret Prieto. Among the economic efficiency indictators, the ministry's general productivity was 13.13 percent, an increase over 1983 but still lower than planned. The peso cost per unit of produced goods was 82 cents. The report says that factors which negatively influenced profitability were underutilization of planned amounts of basic resources, increased rotation of standard means. [as heard] and some increases in the planned losses. Export production was reported to be 98 percent completed and deficit in nickel production was mentioned.

FACTORS BEHIND REDUCED SUGAR PRODUCTION NOTED

PA071945 Madrid EFE in Spanish 0734 GMT 7 Feb 85

[Excerpt] Havana, 6 Feb (EFE) -- Various negative factors have affected sugarcane processing and prevented full exploitation of the current harvest in Cuba. Industrial breakdowns, heavy rains, and a shortage of sugarcane have wasted valuable time and have brought about serious problems in the refining process in some of the country's sugar mills.

In December alone, sugar production dropped by 21,810 tons although low-yield sugarcane is used in the production of bagasse, rum, honey, and other derivatives.

As a result, as of mid-January, out of a total of 139 mills operating at full refining capacity, only 11 could fulfill the process' basic objective, which is to extract as much sugar from the sugarcane as possible.

Despite these problems, analysts described as "acceptable" the results obtained thus far. They insist on the need to "give it time" in order to be able to carry out "an efficient harvest," that is, one which yields approximately 9 million tons of sugar.

However, some initial estimates indicate that in view of decreased supply of sugarcane for refining and the importance of this industry to the economy, this harvest will be the "most tense and difficult one to date."

STRIKES CONTINUE; OFFICIALS, OPPOSITION RESPOND

President Lowers Food Prices

FL071512 Bonaire Trans World Radio in English 1130 GMT 7 Feb 85

[Text] In the Dominican Republic, strikes against cost of living increases continued to paralyze parts of Santo Domingo yesterday in spite of a presidential order to lower the price of 16 food staples. At least 36 low-income neighborhoods in the capital heeded the call to strike by so-called committees of the popular struggle.

New strikes are set for today, when ministers from 11 Latin American countries begin a 2-day meeting on the region's massive $350 billion foreign debt. The strikes are designed to protest a recent wave of hikes that boosted the price of gasoline 34 percent and cost of basic foodstuffs between 20 and 60 percent.

In response to the strikes, President Salvador Jorge Blanco ordered the arrest of several leftist and union leaders. At the same time, he ordered the Price Stabilization Institute to immediately lower the cost of several food items, including rice, soybean oil, coffee, and eggs.

Police Arrests Protested

FL071254 Santo Domingo Radio Mil Network in Spanish 2230 GMT 6 Feb 85

[Text] President Jorge Blanco will tomorrow inaugurate the ministerial level meeting of the Cartagena Consensus at a time when his government is facing a series of neighborhood strikes around the country in protest of the increase in the cost of living (?brought about) by the IMF. Newspaper reporters Francisco Calderon Fernandez, who was apprehended yesterday by police in San Francisco de Macolis, and Narciso Acevedo, who received a death threat, presented formal protests before the institution responsible for this. The Dominican Senate president said he felt that the authorities acted in an excess of zeal on imprisoning leftist politicians and union leaders. Administrative Secretary of the Presidency Rafael Flores de Estrella warned Reformist Party leader Joaquin Ricardo not to let himself be used by ultraleftist groups, who are enemies of democracy.

The work strike which started this morning in more than 20 neighborhoods in Santo Domingo continues. No injuries have been reported.

Balaguer Endorses Strikes

PA080112 Paris AFP in Spanish 2223 GMT 7 Feb 85

[Text] Santo Domingo, 7 Feb (AFP) -- Former Dominican President Juan Balayuer, a conservative and head of the country's leading opposition party, today expressed his unqualified support for the staggered strikes that have been taking place in the Dominican Republic since last week.

However, Balaguer conditioned his support on their remaining peaceful and not destabilizing the government.

Balaguer said that the latest economic measures, which have been in effect since 23 January, have subjected most of the population to impossible situations. He defended the right to protest in a peaceful and orderly fashion.

Strikes began early this morning in 15 residential areas of Santo Domingo. Authorities at the State University of Santo Domingo, located in one of these areas, decided to suspend activities for the day to prevent the outbreak of disturbances and allow its faculty and students to consider the country's situation.

Yesterday President Salvador Jorge Blanco, in statements to the press, said that the strikes, far from solving the economic crisis, promote it, and added that they are politically motivated. He issued a serious warning, saying that the government will make every effort to forestall a general strike, which appears to be the ultimate purpose of the staggered strikes.

Reporters Arrested

FL071836 Santo Domingo Radio Clarin in Spanish 1012 GMT 7 Feb 85

[Text] Twenty persons were arrested and their homes searched in San Juan de la Maguana during a strike called in that city by the committees for popular struggle to protest government-decreed economic measures.

It was reported that among those held was newspaper reporter Andres Rodriguez, chief editor of EL AGRARIO, who was later released, while the police continue to search for Manuel Espinoza Rosario, reporter for EL NACIONAL, AYER, and Radio Commercial. It was also reported that reporter Lorenzo Rodriguez had been freed. Espinoza Rosario's family has asked for an end to the search. This report was made by reporter Jose Manuel Adame.

PR LEADER CALLS FOR OUSTING PRD WITH VOTES

FL080052 Santo Domingo LISTIN DIARIO in Spanish 1 Feb 85 p 4

[Text] Reformist Party [PR] leader Juan Aristides Taveras Guzman has said that although the protests against the government's economic measures are "more than justified," the more democratic way of getting rid of the Dominican Revolutionary Party [PRD] is with votes.

The PR nominee for president in the 1986 elections will ask the PRD for an accounting of "having defrauded all the people, including its own membership, and bringing the country to the most difficult period in its history."

He said the PRD has brought crisis to the country, deficits in all areas, and indebtedness to the point of our having lost our sovereignty. Moreover, he added, it has exposed millions of Dominicans to starvation because they cannot buy what they need to survive today.

GRENADA

GULP EXPELS PETERS FOR TAKING PARLIAMENT SEAT

FL071436 Kingston Domestic Service in English 0500 GMT 7 Feb 85

[Text] The lone successful Grenada United Labor Party [GULP] candidate in last December's general election on the Spice Isle, Marcel Peters, has taken his seat in Parliament, rejecting his party's previous decision to boycott the House because of alleged election rigging.

The right-wing GULP, as a result, has booted out Mr Peters over his decision to take his seat in Parliament against the wishes of the party. Had Mr Peters decided to carry on with his boycott, the Grenada Parliament would have been a one-party legislature. Mr Peters told reporters that he changed his mind, and this was in response to requests from his constituents to take the seat. He is eligible to become leader of the opposition and will have the right to name two senators.

GULP leader Eric Gairy said the party will meet next Wednesday to decide how to deal with any member who might be appointed by Mr Peters to serve in the Senate.

Appointed Opposition Leader

FL071846 Bridgetown CANA in English 1552 GMT 7 Feb 85

[By Goerge Worme]

[Text] St George's, Grenada, Feb 7, CANA -- Governor General Sir Paul Scoon has formally appointed 53-year-old agriculturalist Marcel Peters as Grenada's first parliamentary opposition leader since 1979, the government announced today. A Government Information Service (GIS) release said the appointment was made yesterday, the same day the Grenada United Labour Party (GULP) announced that it had expelled Peters for defying its decision to boycott Parliament over alleged rigging of a general election last December.

Peters was the sole GULP candidate to win a seat in the poll which was the first since the last opposition leader Maurice Bishop lead a coup in March 1979, overthrowing the elected GULP administration. The other 14 seats were taken by the New National Party (NNP) of Prime Minister Herbert Blaize.

Peters took his seat in Parliament Monday to be sworn in as the parliamentary representative for the rural constituency of St Andrew's North East in response to what he says were calls from supporters. He had earlier announced a boycott of the House of Representatives (lower house).

The GIS release said that on the recommendation of the opposition leader, the governor general appointed -- Albert Forsythe, Oliver Raeburn. and Franklyn Philbert -- three leading GULP members, as senators. Forsythe was minister of communications and works under the last GULP government, while Raeburn once headed the Ministries of Education and Agriculture. Philbert, who is a retired civil servant served as labour commissioner under Bishop's left-wing People's Revolutionary Government (PRG).

GIS said that Sir Paul congratulated the new senators on their appointment to Parliament and expressed pleasure at their decision to continue serving the country.

Prior to the announcement, GULP leader Sir Eric Gairy told CANA that if Peters decided to name the three as senators then the party's executive would meet on Wednesday to take a decision on the issue. The former prime minister reiterated that the 34-year-old party would never participate in the affairs of the current parliament because we know the elections were fraudulently given to the NNP, and Mr Marcel Peters, Mr Raeburn, and Mr Forsythe, we all agreed to that. I think these people should have political character. They should be able to stand up. I think this is politically wrong, Gairy said.

AGRICULTURAL MINISTER ANNOUNCES WORLD BANK LOAN

FL072052 Bridgetown CANA in English 1759 GMT 7 Feb 85

[Text] St. George's, Grenada, Feb 7, CANA -- Agriculture Minister George Brizan said today the World Bank will lend Grenada U.S. 5 million dollars for the rehabilitation and diversification of the ailing agricultural sector. Brizan has just returned from Washington where he led a government team which completed the negotiations for the low interest loan, for which formal approval from the bank's board of directors is pending. He said the loan is repayable in 50 years with a grace period of ten years at a rate of interest of .75 percent per annum with some small commitment fees involved.

The World Bank funds are to be complimented by a further U.S. 1.9 million dollars Caribbean Development Bank (CDB) to assist with agricultural credits. Brizan said the funds from the World Bank would be used for strengthening such areas as extension services, marketing services, road maintenance, and farm and feeder road maintenance. On the funds from the CDB, the minister said the government intends to hold discussions with the regional financial instutution pertaining to some minor adjustments which we would like to make, and some conditions to the side of the project. The main pillars of the key agricultrual sector -- bananas, nutmeg and cocoa -- all performed poorly last year, partly because of the depressed international market and poor prices.

HAITI

GOVERNMENT EMPLOYEES EXPRESS SUPPORT OF DUVALIER

FL051542 Bonaire Trans World Radio in English 1130 GMT 5 Feb 85

[Text] Thousands of Haitians gathered in front of the National Palace in Port-au-Prince yesterday to show their support for the government of President-for-Life Jean-Claude Duvalier. Between 30,000 and 50,000 well-dressed public employees appeared at the palace in a manifestation that sources said was organized by Haiti's former Interior Minister Luckner Cambronne.

ST CHRISTOPHER AND NEVIS

BUCHANAN ELECTED NEW ASSEMBLY SPEAKER

FL071638 Bonaire Trans World Radio in English 1130 GMT 7 Feb 85

[Text] In St Kitts-Nevis, a former civil servant and businessman, Ivan Buchanan, has been elected speaker of the National Assembly. He was elected at the start of yesterday's meeting, replacing Herman Liburd from Nevis, who resigned to take over the position of solicitor general of the Nevis Island administration. Mr Liburd was speaker from 1980 until his resignation.